

ECON 25: THE GLOBAL ECONOMY

Foothill College Course Outline of Record

Heading	Value
Effective Term:	Summer 2025
Units:	4
Hours:	4 lecture per week (48 total per quarter)
Advisory:	ECON 1A and 1B; not open to students with credit in ECON 25H.
Degree & Credit Status:	Degree-Applicable Credit Course
Foothill GE:	Area 4: Social & Behavioral Sciences
Transferable:	CSU/UC
Grade Type:	Letter Grade (Request for Pass/No Pass)
Repeatability:	Not Repeatable

Student Learning Outcomes

- Analyze shocks to the foreign exchange market using a supply and demand diagram.
- Assess the relative merits of protectionist arguments.
- Employ economic models to illustrate the benefits of free trade.

Description

Analysis of increasing economic integration in the post-WW II era with a focus on international trade and investment. Topics covered include the pros and cons of economic globalization, industrial policy, multinational corporations and sweat shops, exchange rate determination, capital flows, and exchange rate crises.

Course Objectives

The student will be able to:

- Graphically illustrate and explain comparative advantage.
- Graphically illustrate tariffs and quotas in the supply and demand model.
- Critically assess the motivations for protectionism.
- Analyze exchange rate adjustments employing the supply and demand model.
- Evaluate balance of payment transactions and accounting.
- Examine the origins of a balance of payments crisis.
- Compare and contrast contending views on global economic relations.

Course Content

- Comparative advantage
 - Economic resources
 - Ricardian Production Possibilities Frontier
 - Opportunity cost
 - Gains from trade
 - Terms of trade

- Protectionism
 - Supply and demand
 - Consumer and producer surplus
 - Tariffs
 - Quotas
 - Agricultural subsidies
 - Other non-tariff barriers
 - Infant industry
 - Labor concerns and trade
 - Environmental concerns and trade
- Exchange rates
 - The foreign exchange market
 - Floating exchange rates
 - Fixed exchange rates
 - Floating pegs
 - Dollarization
 - Currency speculation
 - Sterilized intervention
 - Optimal currency areas
 - The Euro
- Balance of payment accounting
 - Current account transactions
 - Capital account transactions
 - Official reserves transactions
 - BOP imbalances

Lab Content

Not applicable.

Special Facilities and/or Equipment

When taught as an online distance learning section, students and faculty need ongoing and continuous internet and email access.

Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following:

Multiple choice examinations
Written response examinations
Class participation/presentation

Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

Lecture
Class discussion
Presentations

Representative Text(s) and Other Materials

Carbaugh, Robert. [International Economics, 18th ed.](#). 2023.

Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments

1. Students read, summarize, and critically assess current news articles in writing and/or class discussion
 - a. For example, discussion of issues surrounding industrial policy, the WTO, and the IMF
2. Several multiple-choice online homework sets (in the course management system) that require students to employ the models and concepts discussed in class and the textbook
 - a. For example, illustrating the gains from trade
3. Online discussions (in the course management system) on podcasts, such as "The Trade Guys," in which students summarize the contents and then submit questions - which are addressed either online or in class

Discipline(s)

Economics