You are to collect the following information and/or representative articles and to explain the events, trends or policies observed. Part of your grade is based on your good judgment in picking substantive articles that deal with points we have studied and that allow you to demonstrate your ability to apply insights from our course in your explanations. In some cases you may find that you can give a more complete analysis based on two or three articles that track the same topic. Apart from questions 1-3 in Part I, please provide copies of the articles you use.

**Part I. Due October 17, 2008**

1. Report the value of the Japanese yen and the euro in terms of the U.S. dollar on the first business day of each week for 6 weeks. Briefly describe the pattern of these two series and suggest why the rates have varied.

2. Report the value of the British pound and the Swiss franc in terms of the euro for the same 6 week period you followed above. Does either country appear to be following a policy that would conform to the rest of Europe, in spite of the fact that they are not members of the European Monetary Union?

3. Report the value of an ounce of gold and a barrel of oil for the same 6 week period. If a rising gold price indicates fears of inflationary monetary policy internationally or a declining value of the dollar, what market expectations do you observe? Are political events in gold producing countries or Central Bank plans to sell gold reserves relevant? Given the information you found in question (1), how did the prices of gold and oil in euros change over this period?

4. Compare the balance of trade in goods and services reported for the United States in July 2008 relative to the situation in June 2008 (released August 12, 2008). If you do not find a very complete discussion of this situation in the news, download the raw data from the U.S. Commerce Department, Bureau of Economic Analysis [http://www.bea.gov/newsreleases/international/trade/tradnewsrelease.htm](http://www.bea.gov/newsreleases/international/trade/tradnewsrelease.htm)

   - What factors might explain any changes observed? Which factors do you expect will continue to operate in succeeding months and which are temporary?
   - For the first six months of 2007, the United States imported more food, feeds and beverages than it exported. Has that reversal of the traditional U.S. position as breadbasket to the world continued in 2008? (Exhibits 7 and 8)
   - A casual shopping trip to WalMart suggests that the United States imports a lot of consumer goods. Report U.S. imports and exports in this category, and note any changes. If a U.S. recession reduces U.S. consumer spending, explain how this category will be affected. (Exhibits 7 and 8)
   - How important are petroleum imports in the U.S. balance of trade? Report the U.S. trade balance for all goods and the balance excluding petroleum, and discuss any differences in the way these two measures are changing. (Exhibit 9)
5. Find an article that discusses some item reported on a country's balance of payments for a country other than the United States. For example, this could refer to the balance of trade, international capital flows or central bank intervention. Given that balance of payments accounting requires two parallel entries, what other items are likely to be affected by the item identified in your article. If the country allows its exchange rate to float, how will changes in the item you identify affect the value of its currency internationally?

6. Find an article that discusses the international implications of a country’s macroeconomic position. For example, the article could be related to an International Monetary Fund loan to a country, an application of the European Monetary Union’s Stability and Growth Pact to evaluate a member country’s efforts to join or remain within the European Monetary Union, or a country’s choice of exchange rate policy.

**Part II. Due December 10, 2008**

1. Explain how an international commodity market has been affected by changing supply or demand conditions. Do you observe greater volatility in prices or in quantities produced and traded? How can you relate that outcome to relevant elasticities of supply and demand?

2. Interpret an article that describes the effects of foreign competition on a domestic industry and/or the imposition of trade barriers in an industry. (You especially might consider anti-dumping duties.) What arguments are most relevant to justify greater protection or government assistance in this situation? Are the impacts that you observe likely to reflect temporary shocks or long-run trends?

3. Explain the issues that arise in an article about trade or investment relationships within a trade bloc: the North American Free Trade Area, the European Union, the Commonwealth of Independent States, Mercosur, ASEAN, an African Preferential Trade Agreement, etc.

4. Assess the issues involved in an article about a World Trade Organization dispute resolution panel.

5. Report whether any progress in WTO negotiations occurs.

6. Review a proposal of a foreign company to buy a U.S. firm or of a U.S. firm to buy a foreign company. Can the acquiring company finance an expansion more cheaply than the target firm, does the acquiring firm expect it can earn a higher return from making better use of the target firm’s assets, or does it appear most likely to benefit by raising its prices once a competitor is eliminated from the market?