You are to collect the following information and/or representative articles and to explain the events, trends or policies observed. I value your good judgment in picking articles that deal with points we have studied; recognize that I am primarily interested in your ability to apply insights from our course in your explanations. Apart from questions 1-3 in Part I, please provide copies of the articles you use.

**Part I. Due March 12, 2004**

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 relevant? Given the information you found in question (1), how did the prices of gold and oil in euros change over this period?

4. Describe the balance of trade in goods and services reported for the United States in November 2003 compared to recent trends in October 2003. If you do not find an article that discusses this situation, you can download this information from the U.S. Commerce Department (http://www.commerce.gov/). Click on "latest economic indicators" and then "international trade in goods and services." What reasons might explain any changes observed? Which factors do you expect will continue to operate in succeeding months?

5. Find an article that discusses some item that would be 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 this situation affect the value of its currency internationally?

6. Find an article that reports some aspect of an International Monetary Fund loan to a country or that describes changes in the way the IMF functions or is financed. Are any issues of conditionality raised in the discussion of IMF policy?
Part II. Due May 7, 2004

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, and how can you relate that outcome to relevant elasticities?

2. Summarize an article that describes the effects of foreign competition on a domestic industry and/or the imposition of trade barriers in an industry. What arguments are made to justify greater protection?

3. Summarize 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. Report the issues involved in an article about a World Trade Organization dispute resolution panel, or about efforts to initiate a new round of multilateral trade negotiations.

5. Review a proposal of a foreign company to buy a U.S. firm or of a U.S. firm to buy a foreign company. Evaluate whether such a strategy is best explained by special expertise of the companies involved or by government incentives to serve a protected home market or to export to third-country markets.