

Subject Thematic/Syllabus

Subject name:	Analysis of International Economic Processes I.
Credits:	4
Term:	5
Subject code:	KB9940
Name of the responsible institution:	Institute of Economics and International Relations
Code of the responsible institution:	KNKI
Name of the responsible person/people for the subject:	Tóth Balázs István Dr. habil.
Subject requirements:	exam
Subject weekly hours (lecture/practice):	2/1
Subject term hours (lecture/practice):	10/5

Purpose of education:

The aims of the course are the following: to get used to the techniques in economic thinking, to create a mentality, to build an apparatus of mind in economics, to understand the nature and logic of economics, to recognize the role of tradition and authority in economics, to know about (some of) the methods in supporting economic thinking, to understand the practice of research in economics, to recognize the features of scientific inquiry in economics, to be aware of the different modes of observation, to get used to the collection of tools in use when analysing data, to familiarize students with economic analysis in various topics of international (business) economics and to provide an insight into some of the main issues in international (business) economics.

Subject content:

1. Course schedule (topics)

1. Introduction to the nature and logic of economics. The basic dilemma: about the chaotic nature of economics. The possible solution: recognizing order in economics ... but how? About the nature of scientific development and scientific progress in economics. Looking ahead: an overview of the curriculum schedule – school work for the semester.
2. Explanations of some of the basic terms of economics.
3. The role of beliefs in economic thought – about the laws and principles of economics. Economics as a system of beliefs, natural laws and economics, general laws of economics, economic laws, belief and economic (inter)actions, some of the frequently referred laws of economics, ten principles (fundamental lessons) of economics.
4. The role of traditions and authority in economic thought. History of economics, understanding a ‘classic’ work, reconstructing the past, research styles, schools of economic thought, mainstream economics, heterodox economics, pluralism, authority and traditions, market, command and mixed economies.
5. Notable economists I. Thinkers of Ancient and Medieval Ages, Mercantilism, Physiocracy, Classical political economy before and after Adam Smith, German Historical School, Walrasian economics (Lausanne School), Institutional economics, Stockholm School, independent scholars born before 1900.
6. Notable economists II. Neoclassical economics, utopian economics, scientific socialism, Russian Marxism, Marxian economics, Keynesian economics, Post-Keynesians & Neo-Ricardians, Austrian School and economic liberals, Chicago School and Monetarism, other famous economists born after 1900.

7. Social scientific inquiry & Scientific inquiry in economics. about scientific inquiry, the 'traditional' image of science, the structure of inquiry: the research design, economic theorists vs. professionals, theoretical economics, policy economics, qualitative and quantitative analysis.
8. Data analysis. Qualitative modes of observation, quantitative modes of observation, elementary (univariate) analysis, advanced (multivariate) analysis, graphing, econometrics.
9. Analyzing futures – Main points and keywords: about futures and forecasting futures, futures as states of uncertainty, analyzing futures, about chaos theory, forecasting mistakes and errors, about foresight, economic forecasting.
10. Limitations of economics. The knowledge and role of economist, common errors in scientific inquiry, pitfalls to avoid in economic thinking, further errors, dangers and challenges in the way doing economics.
11. Problems and applications (Questions for discussion) I. Elementary and intermediary questions: basic problems of economic way of thinking, micro vs. macro view, positive vs. normative view, the concept of demand and the concept of supply, the process of coordination, marginal values and economic decisions, efficiency, economic advantages.
12. Problems and applications (Questions for discussion) II. Advanced and challenging questions: monopoly and competition, price setting and price searching, government policy, profit, the distribution of income, externalities, markets, inflation, unemployment, recession and political economy, aggregate fluctuations, the supply of money, demand-side and supply-side perspectives, schools of economic thought.

2. Applied teaching methods of the subject and activities of the students:

This course requires presence and active participation in class. Theoretical parts are delivered through presentations, practice by single exercises.

3. Knowledge to be acquired, application skills to be acquired and competences:

Students engage deeply with the techniques in economic thinking; thus, they will be able to refine their own practices and portfolio and improve their methodological skills.

Accountability and evaluation system:

1. Course and exam requirements

Class participation according to the Academic Regulations for Students. This course requires presence and active participation in class. The maximum number of absence is three.

2. Assessment and grading

1 (fail) – 5 (excellent) based on the quality of the oral exam.

Obligatory literature:

1. Literature:

Slides available in PPT/PDF formats are provided by the lecturer.

Babbie, E. (19xx/20xx) *The Practice of Social Research*. Ch. 1 & 4.

Heyne, P. [Boettke, P., Prychitko, D.] (19xx/20xx) *The Economic Way of Thinking*. Ch. 1 & 23 (22).

Koop, G. (2005) *Analysis of Economic Data*. 2nd ed. Ch. 2.

2. Recommended readings:

Supplementary material available in Word/PDF formats are provided by the lecturer.

Blaug, M. (2001) No History of Ideas, Please, We're Economists. *Journal of Economic Perspectives* 15(1). 145–164.

Colander, D. (1992) Retrospectives: The Lost Art of Economics. *Journal of Economic Perspectives* 6(3). 191–198.

Davis, J.B. (2006) The Nature of Heterodox Economics. *post-autistic economics review* 40. 23–30.

Galbraith, J.K. (1970) Economics as a System of Belief. *The American Economic Review* 60(2). 469–478

Lawson, T. (2006) The Nature of Heterodox Economics. *Cambridge Journal of Economics* 30(4). 483–505.

Quddus, M.; Horton, J. (2002) Principles of Economics: An Austrian Critique. *The Quarterly Journal of Austrian Economics* 5(2). 67–77.

Rosser, J.B. (1993) Belief: Its Role in Economic Thought and Action. *American Journal of Economics and Sociology* 52(3). 355–368.

Skinner, Q. (1969) Measuring and Understanding in the History of Ideas. *History and Theory* 8(1). 3–53.

Stigler, G.J. (1969) Does Economics Have a Useful Past? *History of Political Economy* 1(2). 217–230.

Weintraub, E.R. (2007) Economic Science Wars. *Journal of History of Economic Thought* 29(3). 267–282.

Koop, G. (2005) *Analysis of Economic Data*. 2nd ed. Ch. 2.

