

International Trade

CCS-ISS309

Course Description

This class surveys the real side of International Economics - the side concerned with trading in goods and services among countries. We will develop the theory of comparative advantage and will study the benchmark models of international trade: Ricardian, Heckscher-Ohlin, Specific Factors and Monopolistic Competition, as well as some cutting-edge research in the New Trade Theory. We will also investigate how well these models do in explaining the observed patterns of trade. As well, we will use the framework provided by these models to analyze some policy issues such as international movements of factors of production. It is my goal that by the end of the course you will have a clear understanding of the basis for and gains from trade; and effects of international trade on the distribution of income, effects of tariffs, and other barriers to trade.

International Trade: Theory and Policy, 10th Edition by Paul R. Krugman, Maurice Obstfeld, and Marc Melitz

Other Reading materials will be provided through your student center




Prerequisite

Intermediate Macroeconomics

Course Requirements

During the term, there will be two case studies (20%), one midterm exam (20%), one final exam (30%), three quizzes (10%), and five homework sets (10%). Class participation will be 10% of your final grade.

Learning Outcomes

-  Understand international economic interactions in a broad context
-  Understand causes and consequences of international trade
-  Form an informed perspective for the public debate on globalization

Evaluation and Grading

A	93-100	B-	80-82	D+	67-69
A-	90-92	C+	77-79	D	63-66
B+	87-89	C	73-76	D-	60-62
B	83-86	C-	70-72	F	0-59

Course Hours

The course has 20 class sessions in total. Each class session is 150 minutes in length, for a total of 3000 minutes of in-class time. Students are expected to spend 15-20 hours per week outside of class. The University awards **4** credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. The University policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, **the University's policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Academic Honesty

The University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

Disability Accommodation

Any student who needs special accommodation due to the impact of disability should inform the University within 10 days before the program starts.

Tentative Schedule

Parts	Contents	Readings and Homework
Part 1	<ul style="list-style-type: none"> • Introduction and overview • World Trade: An Overview • Labor Productivity and Comparative Advantage: The Ricardian Model • Quiz 1 	<ul style="list-style-type: none"> • CH 1-3 • Homework 1
Part 2	<ul style="list-style-type: none"> • Specific Factors and Income Distribution • Resources and Trade: The Heckscher-Ohlin Model • Case Study 1 • Quiz 2 	<ul style="list-style-type: none"> • CH 4-5 • Homework 2
Part 3	<ul style="list-style-type: none"> • The Standard Trade Model • External Economies of Scale and the International Location of Production • Midterm Exam 	<ul style="list-style-type: none"> • CH 6-7 • Homework 3
Part 4	<ul style="list-style-type: none"> • Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises • The Instruments of Trade Policy • The Political Economy of Trade Policy • Case Study 2 • Quiz 3 	<ul style="list-style-type: none"> • CH 8-10 • Homework 4
Part 5	<ul style="list-style-type: none"> • Trade Policy in Developing Countries • Controversies in Trade Policy • Final Exam 	<ul style="list-style-type: none"> • CH 11-12 • Homework 5