CARLETON UNIVERSITY  
Department of Economics  

ECON 3601A – Introduction to International Trade  

2017 Late Summer  
(July 4th to August 16th)  

Instructor: Claudiu Tunea, PhD  
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(Please use the office hours, rather than e-mail, for asking questions related to the course materials)  

Lecture Hours: Mondays & Wednesdays, 6:05–8:55 pm  
Location: University Centre, Room 180  
Office Hours: Mondays & Wednesdays, 5:00–6:00 pm (in B-840 Loeb)  
TA for this course: TBD  

PREREQUISITE:  

The prerequisite for this course is ECON 1000 or FYSM 1003. Prerequisites (and preclusions) will be checked and strictly enforced by the Department of Economics. Students found lacking will be de-registered. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright.  

PRECLUSIONS:  

Credit for this course will not be given if taken concurrently with or after ECON 4601 (International Trade Theory and Policy). This course also precludes additional credit for ECON 3600 (Introduction to International Economics).  

OBJECTIVES:  

In the first part of the course, several important concepts (such as comparative advantage, terms of trade etc.) will be introduced as well as the classical trade theory. In the second part of the course, the neoclassical framework will be introduced, which is then applied in the factor proportions theory of international trade. The third part of the course is an introduction to some new trade theory and issues in trade policy.  

EVALUATION:  

A weighted average of scores for two mid-term examinations (25% each) and a final examination scheduled by the University during the August exam period (50%) will determine each student’s grade for this course.  

The mid-term examinations will be held in class on Wednesday, July 19th and Wednesday, August 2nd. There will be NO deferred mid-term examination. Students who can document a compelling reason for missing one of the mid-term exams will be excused and their final grade will be based on their performance in the rest of the course—i.e., the weight of each of the remaining evaluation instruments will rise by a factor of 4/3 (e.g., the final examination weight will become 50% × 4/3 = 66.67%). Students must inform the instructor of such an absence in advance, if possible. Whenever supporting documentation is presented by students for a missed exam, e.g. doctor’s note or police report, the documentation provided may be subject to verification.  

Class attendance and preview of the course materials are very important.
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**Plagiarism:** Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at [www.carleton.ca/economics/courses/writing-preliminaries](http://www.carleton.ca/economics/courses/writing-preliminaries).

**Satisfactory Performance Criteria:** Students must fulfill all of the preceding course requirements in order to achieve a passing grade (D- or higher). Failure to write one or both of the mid-term examinations (without a documented compelling reason) will result in a grade of FND (“Failure with No Deferred final examination allowed”). Failure to write the final examination when the student has achieved satisfactory performance during the term will result in a grade of ABS (“ABSent from a required final examination”). See Academic Regulation 2.3 for the official meanings of these grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm. Application to write a deferred final examination must be made at the Registrar’s Office.

**ACADEMIC ACCOMMODATIONS:**

Students with disabilities requiring academic accommodations in this course should contact a coordinator at the Paul Menton Centre for Students with Disabilities (PMC) to complete the necessary letters of accommodation. After registering with the PMC, make an appointment to meet and discuss your needs with the instructor at least two weeks prior to the midterm exam. Students missing this dead-line will not be provided with accommodations for the midterm. Please check with University and Faculty regulations for deadlines for submitting completed forms to the PMC for formally scheduled exam accommodations.

**REQUIRED TEXTBOOK:**


**COURSE OUTLINE:**

- Chapter 1. Introduction
- Chapter 2. World Trade: An Overview
- Chapter 3. Labour Productivity and Comparative Advantage: The Ricardian Model
- Chapter 4. Specific Factors and Income Distribution
- Chapter 5. Resources and Trade: The Heckscher-Ohlin Model
- Chapter 6. The Standard Trade Model
- Chapter 7. External Economies of Scale and the International Location of Production
- Chapter 8. Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises
- Chapter 9. The Instruments of Trade Policy
- Chapter 10. The Political Economy of Trade Policy
- Chapter 11. Trade Policy in Developing Countries
- Chapter 12. Controversies in Trade Policy

**NOTA BENE:** There will be **no class on Monday August 7th** as the University is closed, according to the provisions in the academic calendar.