

CARLETON UNIVERSITY
Department of Economics

ECON 3601A – Introduction to International Trade

2019 Late Summer
(July 2nd to August 14th)

Instructor: Claudiu Tunea, PhD

Office: B-840 Loeb Building

Web: cuLearn

E-mail: claudiu.tunea@carleton.ca

(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: Room 342 Tory Building

Office Hours: By appointment

TA for this course: T.B.D

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 17th** and **Wednesday, July 31st**. 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 $50\% \times 4/3 = 66.67\%$). 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. Doctor's notes must be accompanied by a *Consent to Release Information to a Third Party* form filled by the student.

Class attendance and preview of the course materials are very important.

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.

Satisfactory Performance Criteria: Students must fulfill all of the preceding course requirements outlined above 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 ‘F’. Failure to write the final examination (when the student has achieved satisfactory performance during the term) without a documented compelling reason will result in a grade of ‘F’ until an appeal to write the deferred final exam in September 2019 is granted. A change of grade will be submitted when the deferred final exam has been written and the marks are available 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. 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:

Paul R. Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy*, (Pearson Series in Economics), 10th edition (2015) or later.

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 5th** as the University is closed for a statutory holiday.