CARLETON UNIVERSITY, Department of Economics

ECON 3601A: Introduction to International Trade (Fall Term 2017)

Professor: Z. Yu
Office: A810 Loeb Building
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Email: zhihao.yu@carleton.ca (Please use the office hours for asking questions related to course materials, especially for those who miss classes)

Lecture: Thursdays (8:35 am – 11:25 am)
Instructor’s Office Hours: Thursdays (11:30am-12:30pm) in A810 Loeb

TAs: TBA
TA’s office hours: TBA (B848 Loeb?)

PREREQUISITES:
The prerequisites for this course are ECON 1000 or FYSM 1003. Prerequisites (and preclusions) will be checked and strictly enforced by the Economics Department. Students lacking the necessary requirements will be de-registered. If you believe that you have an equivalent background or a similar course from other university, then you must contact the Department of Economics Undergraduate Administrator.

PRECLUSIONS:
Credit for this course will not be given if taken concurrently with or after ECON 4601. This course also precludes additional credit for ECON 3600.

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 some issues on trade policy.

In-class Quizzes: There will be several mini quizzes throughout the term, which will be as part of your final grade.

Coursework: Class attendance and preview of the course materials are essential. In addition, I will provide two Assignments and an (take-home) Exercise during the semester, which will be formally graded.

EXAMINATIONS:
There are two in-class midterm exams throughout the course. Midterm 1 is scheduled on Thursday (8:30am-11:25am), October 12. Midterm 2 is scheduled on Thursday (8:30am-11:25am), November 23.

Important: Failure to write the midterm exam(s) will result in a grade of zero without proper documentation. For those who have a medical emergency for missing an exam, they should notify the instructor on the same/following day, followed by presenting the original doctor’s note to the instructor within a week and discuss the issue in person.

EVALUATION:
Two Assignments: 5% (in total)
Class participation and weekly quizzes: 10%
Midterm 1: 35%
Midterm 2: 40%
Exercise: 10%

**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.

**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 deadline 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 AND REQUIRED READING:**

I: Introduction and Classical Trade Theory

I.1. Introduction
Readings: Chs. 1 & 2 in KOM; Review Math.

I.2. Labour Productivity and Comparative Advantage: The Ricardian Model
Readings: Ch. 3 in KOM;

II: Factor Endowment and Neoclassical Trade Theory

II.1. The Specific Factor Model and Income Distribution
Readings: Ch. 4 in KOM;

II.2. Resource and Trade: The Heckscher-Ohlin Model
Readings: Ch. 5 in KOM;

II.3. Terms of Trade and Gains from Trade
Readings: Ch. 6 in KOM;
II.4. Economies of Scale, Imperfect Competition, and Trade

Readings: Ch. 7 in KOM.

III: Trade Policy

III.1. The Instruments of Trade Policy

Readings: Ch. 9 in KOM;

III.2. The Political Economy of Trade Policy

Readings: Ch. 10 in KOM;

III.3. Trade Policy in Developing Countries

Readings: Ch. 11 in KOM;

III.4. Controversies in Trade Policy

Readings: Ch. 12 in KOM.