CARLETON UNIVERSITY, Department of Economics

ECON 3601A: Introduction to International Trade (Fall 2018)

Professor: Z. Yu
Office: A810 Loeb Building
Web: www.carleton.ca/~zyu/#Teaching
Email: zhihao.yu@carleton.ca (Please use the office hours for asking questions related to course materials)

Lecture: Fridays (2:25 pm- 5:25pm)
Instructor’s Office Hours: Wednesdays (2:45pm-3:45pm) in A810 Loeb

TA: Gustavo Jurado (gustavo.jurado@cmail.carleton.ca) and Beilei Tang (Beilei.Tang@cmail.carleton.ca)

TA’s office hours: TBA

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.

REQUIRED TEXTBOOK:

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 End-of-term Exercise during the semester, which will be formally graded.

EXAMINATIONS:
There are two in-class midterm exams throughout the course. The schedules of the midterms will be announced on CULearn by the end of September.
**Important:** (i) You will be accommodated for missing a midterm/exam only for a documented compelling reason. You, or your representative will have to notify the instructor within 24 hours via email or voice mail, followed by the document (e.g. a Doctor’s note) within 3 days. 
(ii) Furthermore, if you miss the first mid-term examination, the assigned weight will be added to the second mid-term examination (no makeup will be offered) and, in that case, you will write a combined exam (Midterm 1&2); if you miss the second mid-term examination (or the combined Midterm 1&2), a deferred Exam will be automatically scheduled in the following week (exactly the same time slot) in Economics Department. A maximum of one missed midterm is permitted.

**EVALUATION:**
Two Assignments: 5% (2.5% each)
Weekly quizzes and class participations: 10%
Midterm 1: 35%
Midterm 2: 45%
End-of-term Exercise: 5%

**Note:** No course grades are final until approved by the Faculty Dean.

**Plagiarism**
Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at www.carleton.ca/economics/courses/writing-preliminaries/.

**Academic Accommodation:**
You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

**Pregnancy obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

**Religious obligation**
Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

**Academic Accommodations for Students with Disabilities**
If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

**Survivors of Sexual Violence**
As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support
Accommodation for Student Activities
Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. [https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf](https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf)

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](students.carleton.ca/course-outline)

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.