CARLETON UNIVERSITY, Department of Economics

ECON 3601B: Introduction to International Trade (Winter 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, especially for those who miss classes)

Lecture: Mondays (2:25 pm- 5:25pm)
Instructor’s Office Hours: Fridays (9:30am-10:30am) in A810 Loeb

TAs: TBA
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.

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. Details will be posted on CULearn during the 2nd week of the semester.

Note: If you miss the first mid-term examination for a documented compelling reason, 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 midterm examination (or the combined Midterm 1&2) for a documented compelling reason, a deferred Exam will be automatically scheduled in the following week (exactly the same time slot). A maximum of one missed midterm is permitted.
EVALUATION:
Two Assignments: 5% (in total)
Class participation and weekly quizzes: 10%
Midterm 1: 35%
Midterm 2: 45%
End-of-term Exercise: 5%

Note: 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.

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
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.