

CARLETON UNIVERSITY, Department of Economics

ECON 3601B: Introduction to International Trade (Fall 2019)

Professor: Z. Yu

Office: A810 Loeb Building

Email: zhihao.yu@carleton.ca (Please use the **office hours** for asking questions related to course materials)

Lectures: Thursdays (2:35 pm- 5:25pm)

Instructor's Office Hours: Mondays (2:35pm-3:25pm) in A810 Loeb

TA: TBA

TA's office hours: TBA

PREREQUISITES:

The prerequisites for this course are ECON 1000 or ECON 1001 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:

Paul R. Krugman, Maurice Obstfeld, and Marc Melitz, *International Economics: Theory and Policy* (Pearson), 11th edition.

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 **three Assignments** during the semester, the first two will be formally graded.

EXAMINATIONS:

There will be a **midterm exam (scheduled for October 31)** a **final exam** (to be scheduled during the formal exam period in December).

Important: (i) Since this is a large class, we will not provide a deferred midterm. You will be accommodated for missing the midterm exam only for a documented compelling reason (e.g. a doctor's note) within 3 days and, in that case, we will shift your midterm weight to your final exam.

(ii) Application to write a deferred final examination must be made at the Registrar's Office.

EVALUATION:

Two marked assignments: 6% (3% each)

Weekly quizzes: 9%

Midterm: 35%

Final (covering all course materials): 50%

Note: Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the 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, please visit: 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.