CARLETON UNIVERSITY, Department of Economics
ECON 3601A: Introduction to International Trade (Fall 2026)

Instructor: Zhihao Yu; Email: zhihao.yu@carleton.ca or zhihao.yu@gmail.com (Please use instructor/TA's hours for questions related to the course materials or homework. Emails will be responded in 1-2 weekdays (or in-class/on-Brightspace). Requests for changing the rules set in the course outline will not be responded.

Lecture Time: Tuesdays 8:35am-11:25am
Instructor's office hours: Tuesdays and Thursdays 11:35am-12:05pm, or by appointment (in LA B852)

TA: Anne-Marie Campeau (AnneMarieCampeau@cmail.carleton.ca)

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.

Learning 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.

Technical Content
Linear algebra and diagrams will be used extensively throughout the course (although calculus is not required). Students should review these mathematical techniques by themselves before or during the first week of the course.

REQUIRED TEXTBOOK
Paul R. Krugman, Maurice Obstfeld, and Marc Melitz, ***International Economics*** (Pearson) North America 12th edition; e-book price: C$71.99 (ISBN-13: 9780137465699).
MyLab: Since this course has no required tutorials, students are strongly recommended to purchase MyLab to access additional materials for self-practice. Please check with CU Bookstore for the whole package of the textbook and MyLab. (Our course ID on Pearson MyLab: yu71110)

Important: If you choose to use a different edition (e.g. the 12th Global Edition, which has completely different problems), please make sure to do the homework according to the North America edition we use.

Weekly homework:

1. Students are required to preview the textbook materials before each lecture (and then review after the lecture) and will be expected to ask questions or have discussions at the beginning of each class.
2. Students are required to submit their homework of each chapter - the selected problems from the end of each chapter (see details below in the course outline) - 72 hours after the discussion of that chapter is finished. No written answers will be provided to the problems of the homework, but you are welcome to ask questions and discuss them with the instructor during the weekly office hours (the instructor may also discuss some questions during the classes upon request).

Evaluation Criteria[1]**:**

Weekly homework	10%
Class Preview, Attendance and Participation	15%
In-class Midterm Exam 1 (**November 3**)	40%
In-class Midterm Exam 2 (**December 8**)	15%
Assignment and Video-Presentation (Deadline: **December 11**)	20%

Important rules for the in-class midterm exams:

(i) Students who miss more than 50% of weekly coursework requirements in any categories (i.e. class attendance or homework submission) are not qualified to write the in-class midterm exams (if written, their work will not be graded) and we will not respond to their issues via email.

(ii) A student will receive a zero mark for missing an in-class midterm exam unless he/she informs the course instructor via email either **before,** or **on the same day of the exam** (in case of an emergency), followed by appropriate supporting documentations (such as a death in the family, illness, etc.) within 48 hours. Upon review, the instructor may offer a deferred exam, which will take place in a few days (the dates may not be convenient to some - details TBA). Please notice that only one deferred exam is permitted – students who miss more than one exam (including a deferred) will receive a failing grade.

Plagiarism

Please be aware that plagiarism is a serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see https://carleton.ca/economics/plagiarism-resources-and-accommodations/.

Use of Generative Artificial Intelligence (GenAI)

GenAI can be used to enhance your learning but should not be used to produce (and submit) your written work. As our understanding of the uses of GenAI and its relationship to student work and academic integrity continue to evolve, students are required to discuss their use of GenAI in any circumstance not described here with the course instructor to ensure it supports the learning goals for the course.

Academic Accommodation:

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website (students.carleton.ca/course-outline).

[1] (i) This course has no final exams (except these two midterm exams). (ii) The deductions for late homework or assignment submissions are 25% (50%, 100% - i.e. zero marks) of your total mark for the first 0h-24h (the second 0h-24h, the third 0h-24h and afterwards) after the deadline, respectively.

COURSE OUTLINE

(The problems listed below can be found at the end of each chapter)

Module 1. Neoclassical International Trade Theory

1.1. Introduction
Chapter 2: Some stylized factor in international trade
A brief history of the classical economic thoughts/theory about international trade
Readings: Chapters 2
Homework: **Math Review (**simple geometric concepts, linear function/diagram, and inverse function**).**
(no homework submission is required for Chapter 2)

1.2. Labour Productivity and Comparative Advantage: The Ricardian Model
Readings: Ch. 3
Homework: **Problems #1, 2, 3, 4 and 5** (pages 48-49 in the textbook)

1.3. The Specific Factor Model and Income Distribution
Readings: Ch. 4
Homework: **Problems # 2, 3, and 4.**

1.4. Resource and Trade: The Heckscher-Ohlin Model
Readings: Ch. 5
Homework: **Problems #2 and 3.**

1.5. Terms of Trade and Gains from Trade
Readings: Ch. 6 (excl. p138-144)
Homework: **Problems #1, 2 and 7**.

Module 2. Trade Policy

2.1. Trade Policy: Perfect Competition
Readings: Ch. 9 and **Chapter 6 (p138-141).**
Homework: P**roblems #1, 2, 3, 4 and 9 in Chapter 9;**

2.2. Trade Policy: Imperfect Competition (Strategic Trade Policy)
Readings: Ch 12 (pp305-309)
Homework: **Chapter 12: Problems #1, 2 and #4**

Module 3. New Trade Theory and Political Economy of Trade Policy

3.1 External Economies of Scale, and International Location of Production
Readings: Ch. 7.
Homework: **Problems #1, and 5.**

3.2. Political Economy of Trade Policy
Readings: Ch. 10
Homework: **Problems #2.**

3.3. Trade Policy in Developing (and Developed) Countries
Readings: Ch. 11
Homework: **Problem #5.**

3.4. Controversies in Trade Policy
Readings: Ch. 12