Course Syllabus

Econ 355: Introduction to International Trade
Academic Year 2015-16
Winter Session Term 1

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Office Hours: Tuesdays, 2-3:20

TA: Ruoying Wang
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OH Wednesdays, 1:50-3:20 in Buchanan Tower 1099D

Lectures

Class hours: Sec 004 TTh 12:30-2, Buchanan A102

Textbook:


Alternative textbook: Krugman, Obstfeld, Melitz, *International Economics – Theory and Policy*, Addison Wesley (henceforth KOM). If you already own this book then you can use it, but I will follow FT more closely

Articles:

I strongly encourage you to follow the debate about trade disputes, the WTO, outsourcing and other trade related topics on the Economist, the New York Times, the Financial Times and the Wall Street Journal.

Class web site:

The class website is accessible through Connect: www.connect.ubc.ca. Students enrolled for the class will be able to access the Econ 355 page. The class website will have multiple uses:

- Syllabus
- Lecture slides
- Assignments and solutions
- You can submit your assignments online
- Check your grades
- Announcements about time changes, additional office hours, etc.
- Links to readings
- Discussions board where you can ask questions about problem sets.

Discussion board
If you have questions on the class material, please ask questions on the Discussions section of the Connect class website.

- Do not e-mail us with questions regarding problem sets or material covered in class. We will keep it monitored throughout the semester and you should expect a reply within 24 hours.
- You can subscribe to individual forums and receive an e-mail every time a new post appears.

Prerequisites for this class

The prerequisites for this class are Econ 101 and Econ 102. It is essential that you have taken these courses. If you have not taken these two classes, but you are an exchange student or a visiting student and have taken Principles of Microeconomics and Principles of Macroeconomics at a different institution, it is up to you to decide whether your preparation is adequate. If you are uncertain about whether you should take the class or not, come and talk to me after class.

Grading

Problem Sets (15%):

- I will assign 4 problem sets.
- Problem sets are due by 12:30pm on the due date (the due date is always on Thursday).
  You can:
  - submit the assignments on Connect
  - hand them in to me in class BEFORE class starts
  - hand them in during my or the TA’s office hours
- After the due date and time, you will receive no credit for your assignment. There will be no exceptions.
- In order to accommodate unanticipated events, illness, or conflicts in your schedule, we will automatically drop one problem set with the lowest score (for example, the one that you don’t hand in). No other exception will be made.
- Only about half of each problem set will be graded

Exams: midterm (35%) and a final (40%)

- The midterm will be held in class on the following date: Thursday October 22nd
- The midterms are mandatory. If you miss the midterms I will require medical documentation and I will send it directly to Arts Advising for evaluation. If Arts Advising determines that you have a valid excuse to miss the midterm then I will shift the weight of the midterm on the final. If Arts Advising decides you have no valid excuse then you will receive a grade of zero on the midterm. There will not be a make-up exam.
- If you have another midterm at the same time or within 24 hours, I will allow you to shift the weight of the midterm to the final, but I want you to e-mail me the course number and an e-mail at which I can reach the professor who teaches the other class.
• The final will include only the material since the midterm (so it will not be cumulative) UNLESS you miss the midterms for a justified reason. In that case you will have to answer extra questions about the other parts of the course.
• If you miss the final exam and obtain a Deferred Standing (SD) from Arts, the makeup exam is going to be in July.

Class participation and i>clickers (10%)

You are required to participate in class. I will make use of clickers during every lecture to assess class participation and comprehension.
• Register your clicker on Connect at “i-Clicker Remote Registration”
• For each question you will receive one point for participation and one point for getting the correct answer
• In order to accommodate events such as forgetting you clicker at home, losing it, having dead batteries, clicking the unintended button, etc., I will calculate the points as follows.
  Example: suppose that for the entire term there is a maximum of 100 points available (i.e. 50 questions). Say you obtain 75 points (by answering 40 questions, 35 of which correctly). Your percentage for the clicker part of the course is:
  \[
  \frac{75}{80\% \times 100} \times 10\% = 9.38\%
  \]
  If you get more than 80 points you participation grade will still be 10%.

Questions regarding grading

Questions on grading should go first to your TA. Questions on problem set or exam grades must be received by the TA no later than one week after the problem set or exam has been handed back. After one week, no appeals will be considered. Take the following steps:

(1) Take the material to the TA along with a note describing specifically what you believe the problem to be. (Make a copy of your note and the problem set/exam for your own safekeeping.) Leave the material with the TA along with your email address.

(2) After the TA has contacted you by email, come to his/her office to discuss the question.

Policy on problem sets collaboration

I will allow you to discuss your solutions to the problem sets with your classmates, but in that case the following rules apply:
• The maximum size of a group is 5 people
• Every student in the group must submit his/her own solutions to the problem set
• Every student in the group must write on the first page of the problem set the names of the students he/she worked with
• Collaborating on a problem set does not mean copying the solutions from your classmate.
**Schedule**

Make a note of the following dates. I might modify the due dates for problem sets, but if I do not let you know otherwise, you should refer to this schedule.

- **Th Sep 24th:** problem set 1 due
- **Th Oct 15th:** problem set 2 due
- **Th Oct 22nd:** MIDTERM in class
- **Th Nov 12th:** problem set 3 due
- **Th Dec 3rd:** problem set 4 due

**Topics covered and reference chapters**

1. Introduction to the class [FT Chapter 1]

2. Technological differences: Ricardian Model [FT Chapter 2]

3. Trade and income distribution in the short run: the Specific Factors Model [FT Chapter 3]


5. External economies of scale: the “infant industry argument” [KOM Ch 7 posted on Connect under Library Course Reserves]

6. Increasing returns to scale and imperfect competition. The Canada US Auto-Pact. Multinationals [KOM Ch 8 posted on Connect under Library Course Reserves]

7. Skill premium debate. Trade and offshoring [FT Chapter 7]

8. Import tariffs and quotas under perfect competition [FT Chapter 8]

9. Import tariffs and quotas under imperfect competition [FT Chapter 9]

10. Export subsidies [FT Chapter 10]

11. International agreements: the WTO and the history of the world trading system, the principles of the WTO, Preferential Trade Areas, trade disputes and dispute resolutions. [FT Chapter 11]