Course Syllabus
Econ 455: International Trade
Academic Year 2016-17
Winter Session Term 1

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Office Hours: Tuesdays, 2pm -3:20pm

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TA Office hours: Wednesdays, 5-6:30pm Iona Building 335

Lectures

Class hours: Tu-Th 12:30-2pm, Buch A201
TA section: Th 6:30-7:30pm Buch A202 (starting Sep 15)

Required Textbook:

  Important: if you are only interested in the international trade section of the book, you can purchase the paperback version *International Trade – Theory and Policy* by same authors, which collects only the chapters we will cover in this course.

Two additional books we will cover this year (more on this later):


Articles:

I will cover articles from economics journals. References will be given in class and on the slides and I will post links to the articles in Connect under "Library Course Reserves"

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](http://www.connect.ubc.ca). Students enrolled for the class will be able to access the Econ 455 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 prerequisite for this class is Econ 301 (or Econ 304). It is essential that you have taken Intermediate Micro for this course.

**Grading**

**Problem Sets (10%)**

- 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.
- 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.
- In order to help you with the assignment your TA, Ruoying Wang, will cover sample problem sets, problem set solutions and old exams on Thursday evening.
Exams (midterm 35% and a final 35%)

- The midterm will be held on **October 20th in class** and will include all material covered up to that point.
- The midterm is mandatory. If you miss the midterm 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 reason to miss the midterm then I will shift the weight of the midterm to 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 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 address at which I can reach the professor who teaches the other class.
- The final will include only material since the midterm (so it will not be cumulative) UNLESS you miss the midterm for a justified reason. In that case you will have to answer extra questions about the first part 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”
- To use the app REEF Polling: [http://wiki.ubc.ca/Documentation:Clickers/REEF_Polling](http://wiki.ubc.ca/Documentation:Clickers/REEF_Polling)
- 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%.

Presentation in class (10%)

We will reserve the last few classes to team presentations. You will have to form a team of 5 people and prepare a presentation about the problematic aspects of free trade. Your presentation will have to be based on one chapter of either one of Rodrik’s books listed above. Some may contain more analytical material than others and some may be very focused on historical episodes, but the general goal of these presentations should be to present a coherent critique of
the case for free trade that I will have built in the rest of the course. The presentation should be 15 minutes and then your classmates and I will have 5 minutes to ask you questions. Please have only one person as the designated presenter while the rest of the team can focus on putting together the content of the presentation.

Please sign up on the following Google sheet: https://docs.google.com/spreadsheets/d/1hnQDB0JITTR5AmZ9vokpSZWP1lIp_qnuaDp2HpUJpT0/edit?usp=sharing

and list the following information:
- Team members
- Chapter covered for Rodrik (1997) or Rodrik (2011)

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 22: no regular class, attend Prof. Philippe Aghion’s Woodward Lecture in CHEM B250
Th Sep 29: problem set 1 due
Th Oct 13: problem set 2 due
Th Oct 20: MIDTERM IN CLASS
Th Nov 10: problem set 3 due
Th Dec 1: problem set 4 due

Topics covered and reference chapters

1. Introduction: Facts about International Trade and Gravity Equation [KOM Ch 2]
2. Technological differences: Ricardian Model [KOM Ch 3 and Ch 6]
3. Trade and income distribution in the short run: the Specific Factors Model [KOM Ch 4]
4. Trade and income distribution in the long run: Heckscher-Ohlin-Samuelson Model. Skill premium debate [KOM Ch 5]
5. External economies of scale and the “infant industry argument” [KOM Ch 7 and Ch 11]
6. Increasing returns to scale and imperfect competition: the Krugman Model [KOM Ch 8]
7. Instruments of trade policy [KOM Ch 9]
8. The Political Economy of Trade Policy [KOM Ch 10]
9. Strategic trade policy [KOM Ch 12]
10. International agreements: the WTO and Preferential Trade Areas. [KOM Ch 10]