

## **EC 481/581: International Trade**

**Mondays and Wednesdays**

**16:00 – 17:20, Gerlinger Hall 302**

### **Contact Information:**

*Instructor:* Anca CRISTEA

*Office:* PLC 514

*E-mail:* cristea [at] uoregon.edu

*Phone:* 346-1245

*Office Hours:* M,W 2:00pm–3:00pm & by appt.

*Course website:* On Blackboard

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### **Course Description:**

This course will examine the causes and consequences of international trade. We will investigate why countries trade with each other, what goods and services they trade, who gains and who loses from international trade, and how governments intervene to regulate cross-border trade flows. The course is organized in two parts. The first part will focus on the theories explaining the patterns of international trade, and on the empirical evidence available in support of such theories. The second part will focus on trade policies, examining their rationale, impact on trade and consequences for economic welfare. The aim of this course is to give students the necessary knowledge and tools to recognize, critically assess and engage in discussions of real world economic events that have an international focus.

### **Course Prerequisites:**

The prerequisites for this course are Intermediate Microeconomic Theory (EC 311) and Introduction to Econometrics (EC 320).

### **Textbook:**

The required textbook for this class is:

Feenstra and Taylor, *International Economics*, Second Ed., Worth Publishers (ISBN 9781429231183)

The content is identical to the textbook *International Trade* by the same authors (ISBN 9781429241045). If you have a copy of “International Trade”, you need not purchase any other text.

### **Grading:**

Course grades will be determined as follows:

Homework	10%
Quiz (in-class)	20%
Midterm	30%
Final (cumulative)	40%

Three problem sets will be distributed over the quarter. *All three assignments must be completed*, but only two of your best scores will count towards your final grade. Each homework is due in class *before the lecture starts* on the day specified and announced well in advance (any homework submitted during the lectures will receive a 5% penalty from the maximum points possible). Late problem sets will not be accepted.

The in-class quiz is announced and covers material decided and communicated well in advance. Exams are mandatory. The final exam is cumulative. In marginal cases, class attendance and participation will be taken into account.

**Important dates:**

***Exams:***

*Midterm Exam (in-class): April 29, 2015 (Wednesday)*

*Quiz (in-class): May 20, 2015 (Wednesday)*

*Final Exam: 2:45 pm - 4:45 pm Thursday, June 11, 2015*

***Assignments due dates (subject to change):***

*Homework #1: April 8, 2015*

*Homework #2: April 22, 2015*

*Homework #3: May 27, 2015*

**Make-up Exams:**

Exams can only be made up in emergency circumstances. If you know in advance that you must miss an exam, you must let me know *before* the exam is administered and if the excuse is valid we will work something out.

**Re-grade Policy:**

I do not accept re-grades for the homework assignments. Exam re-grade requests are subject to the following rules:

1. Requests must be submitted within one week of handing the exams back.
2. Requests must be in written form, explaining clearly why you think you deserve more points.
3. Re-grade requests imply re-evaluating the entire exam, not just the question you have highlighted. Since errors in grading go both ways, *this means that your grade can go up and it can go down.*

**Requirements for 581 Students:**

Students taking the course for graduate level credit will be required to write an applied paper (8 pages double-spaced) on a topic related to the course material. Please schedule to see me no later than the end of the third week to agree on a paper topic. Further along the quarter, students are encouraged to discuss with me their progress on the project. This paper will comprise 15% of your grade, with the other components accounting for the following percentages: homework 10%, quiz 10%, midterm 25%, and final 40%. The paper is due on the last day of class (*March 11, 2015*).

**Learning Outcomes:**

This course has a number of learning outcomes. After completing this course, a student will attain:

- Proficiency in key concepts and theoretical models of international trade
- Ability to use economic data to examine empirical evidence in support of international trade theories
- Ability to apply the knowledge accumulated in this course to real world issues related to international trade and globalization

**Academic Misconduct:**

Academic misconduct (from plagiarizing work to cheating on exams) will not be tolerated. Please acquaint yourself with the Student Conduct Code available at:

<https://uodos.uoregon.edu/StudentConductandCommunityStandards/StudentConductCode>

If I have reason to believe that a student is violating the Student Conduct Code, I will involve the Office of the Dean of Students.

**Accessibility:**

If you have a documented disability and anticipate needing accommodations in this course, please make arrangements with me during the first week of the term. Please request that the Accessible Education Center (164 Oregon Hall) send me a letter verifying your disability.

**Preliminary Outline of the Course (subject to change):**

**Week 1: Course Introduction and Overview of Globalization**

*Reading:* Chapter 1

**Technology and Trade: Ricardian Model**

*Reading:* Chapter 2, Section 1 & 2

**Week 2: Technology and Trade: Ricardian Model (cont'd)**

*Reading:* Chapter 2, Sections 3-5

**Specific Factors Model**

*Reading:* Chapter 3, Section 1

**Week 3: Specific Factors Model (cont'd)**

*Reading:* Chapter 3, Sections 2-4  
Chapter 5, pp. 143-151; 162-165

**Resources and Trade: Heckscher-Ohlin Model**

*Reading:* Chapter 4

**Week 4: Resources and Trade: Heckscher-Ohlin Model (cont'd)**

*Reading:* Chapter 4  
Chapter 5, pp. 152-161; 165-166

**Week 5: Increasing Returns and Monopolistic Competition**

*Reading:* Chapter 6, section 1

**MIDTERM EXAM (in class)**

**Week 6: Increasing Returns and Monopolistic Competition (cont'd)**

*Reading:* Chapter 6

**Week 7: Trade Policy under Perfect Competition**

*Reading:* Chapter 8

**Week 8: Trade Policy under Perfect Competition (cont'd)**

*Reading:* Chapter 8

**Agricultural Export Subsidies**

*Reading:* Chapter 10, pp. 355-368

**Week 9: Trade Policy under Imperfect Competition**

*Reading:* Chapter 9

**Week 10: Trade Policy under Imperfect Competition (cont'd)**

*Reading:* Chapter 9

**International Trade Agreements**

*Reading:* Chapter 11

**FINAL EXAM: 2:45 pm - 4:45 pm Thursday, June 11 2015**