

## Huron University College

### Economics 2163B-550 **International Trade**

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Course website: see OWL  
Office Hours: Thursday 2:30- 3:30

#### **Registration**

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://studentservices.uwo.ca/secure/index.cfm>. If you notice a problem, please contact your faculty academic counsellor right away.

**Prerequisite:** Economics 2150A/B or Economics 2260A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that **spaces become available for students who require the course in question for graduation.**

#### **Course Description**

This course is divided into two parts; i) international trade theory and ii) trade policy. International trade theory deals with the basis of trade between countries, the patterns of trade that evolve, the terms that nations trade on and the gains that are garnered from trade. In order to explore these topics a survey of the major trade theories will be discussed.

The second part of the course deals with the commercial policies associated with trade and some of the political economy issues and controversies that surround international trade.

Throughout the course examples from past and current issues will be used to illustrate topics. In order to derive the most benefit from the course, it is essential that students stay current with events that effect world trade.

## Course Learning Outcomes:

- Building on the principles of comparative advantage, students will learn how differences in resource and factor endowments can lead to gains from trade.
- Students will analyze the effects of immigration and foreign direct investment on economies.
- Using models of imperfect competition, students will analyze why trade is beneficial even when countries produce the same products.
- Students will learn to evaluate the effects of tariffs and other impediments to trade.

## Course Materials

Textbook. *International Trade*, Feenstra Robert and Alan Taylor, Worth Publishers 2017

There will also be a course website on OWL

This site is a supplemental tool and should **not be regarded as a substitute for lectures.** All class material is subject to examination regardless of whether it is referred to or not on the website. On the course website you will find posted material such as answers to some (not all) problems, questions for review and supplementary course material.

**There are no problem sets that are you must hand in for marks.** However, I do problems in class and assign problems from time to time. You are advised to do the problems and, more importantly, understand the meaning of the results and relevance of the problem solving process. Often, but not necessarily, exam questions are loosely based on these examples.

Additional readings may be assigned as the course progresses- **THESE READINGS ARE SUBJECT TO EXAMINATION.**

## Evaluation

The course grade will be based on two midterm tests and a final exam. The midterms are modular and the final is comprehensive. The material for all tests and exams consists of the topics covered in the text (see below), any assigned readings and the material covered in the lectures. Some of the topics covered in the lectures, including problems done in class, may not appear in the text. Students are reminded that they are responsible for this material.

The distribution of the marks is as follows:

Midterm I	25%
Midterm II	25%
Final	50%

The exams must be written on the assigned dates. Make up exams will not be given. **In extraordinary circumstances, which must be supported by verifiable official documentation,** the marks allocated to a missed midterm may be redistributed.

**Important Dates**Midterm I Tuesday Feb. 5<sup>th</sup>Midterm II Tuesday March 19<sup>th</sup>**Course Outline****Part I International Trade Theory**

Introduction to trade theory Chapter 1

The Ricardian Model Chapter 2

The Specific Factors Model Chapter 3

Resources and Trade Chapter 4

Migration of Labour and Capital Mobility Chapter 5

Imperfect competition and Trade Chapter 6

Outsourcing Chapter 7

**Part II Trade Policy**

Tariffs and Quotas Chapter 8, 9

Export Subsidies Chapter 10

International Trade Agreements Chapter 11

**If Time allows**

Balance of Payments Accounting Notes

Additional topics Readings and/or notes

