

ECON 365: International Trade

St Francis Xavier University

Department of Economics

Professor: Brandon Malloy

Fall 2019

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Classes: Tuesdays 12:45-2:00PM, Thursdays 11:15-12:30PM, in MULH 4032

Office Hours: Tuesday 2:15-3:30, Wednesday 1:00-3:00PM, Thursday 12:45-2:00, and by appointment

Course Description

This is the first of two half-courses on International Economics (along with Econ 366). This course focuses on the theory of international trade and its policy implications. The main topics covered are: patterns of trade and specialization (from classical models -Ricardo and Heckscher-Ohlin - to more recent models of monopolistic competition); gains from trade; terms of trade; effects of trade on income distribution; growth and economic development; commercial policy (tariff and non-tariff barriers, protectionism); economic integration (with emphasis on NAFTA/USMCA); migration and trade; and intellectual property rights.

Objectives and Learning Outcomes

The course has three main objectives:

- (1) To understand the determinants of trade flows in goods and services between countries, along with the policies used to influence such trade.
- (2) To explore the theory and practice of international trade and identify the problems accompanying trade policies between countries.
- (3) To prepare students for further study of international economics, and provide a thorough understanding of economic relations across countries.

Prerequisites

ECON 201.

Textbook

Krugman, Obstfeld and Melitz, *International Economics: Theory and Policy* (11th edition), Pearson Publishing, ISBN-10: 0133827046

(The second-half of this book will be used for ECON 366 in the Winter 2020 semester.)

Evaluation

The course grade will be based on three methods of evaluation:

Chapter Review Problems (best 6 of 7).....30%

Midterm Exam.....30%

Final Exam.....40%

Chapter Review Problems

Review problems will be assigned at the conclusion of each chapter. Students will be required to submit answers, in writing, and **in person in class**, one week after the assignment of the questions, to receive credit.

The grade will be composed of the top 6 scores received, with 5% being allocated for each chapter score. Students may submit for as many or as few chapters as they wish. No extensions will be granted for submission of review questions. Students may consult with other students on questions, but must submit their own work and **MUST** acknowledge any collaboration on their submissions.

Midterm Exam

The midterm is scheduled for Thursday, October 10. Students missing a midterm exam due to illness, unexpected emergencies or other conflicts must notify the Dean's office and provide proper authenticated documentation in order to be considered for a make-up exam, as outlined in Section 3.9 of the Academic Calendar.

Final Exam

The final exam will be cumulative and will cover the breadth of topics covered during the entire course. The time and date will be determined by the Registrar.

Course Outline

<i>Part I: Economics of International Trade</i>	Chapter(s)
1. Introduction and Overview	1, 2
2. Trade and Comparative Advantage (The Ricardian Model)	3
3. Trade and Resources (The Heckscher-Ohlin Model)	4, 5
4. Trade and Economies of Scale	6, 7
5. Firms in the Global Economy	8
 <i>Part II: Policy Issues in International Trade</i>	
1. The Instruments of Trade Policy	9
2. The Political Economy of Trade Policy	10
3. Trade Policy in Developing Countries	11
4. Controversies in Trade Policy	12

Important Dates

Tues, Sept 3- First day of Fall classes

Tues, Sept 10- Last day to change first-term or full-year courses

Thurs, Oct 10- **Midterm Exam**

Mon, Oct 14-Fri, Oct 18- Fall Study Break- NO CLASSES

Fri, Nov 1- Last day to drop first-term three-credit courses

Mon, Nov 11- Remembrance Day- NO CLASSES

Mon, Dec 2- Last day of Fall classes

Thurs, Dec 5- Exam period begins

Statement on Equitable Learning

Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.

Please feel free to talk with me about your questions or concerns about equity in our classroom or in the STFX community in general. If I cannot answer your questions or help you address your concerns, I encourage you to talk to the Chair/Coordinator of the Department/Program or the Human Rights and Equity Advisor. Please note that a Human Rights and Equity Advisor will soon be appointed. In the meantime, students, faculty, or staff may also contact the Director of Human Resources at hr@stfx.ca or the Office of the AVP&P