

Economics 101: International Trade

Instructor: Ivan Major

Visiting professor, Department of Economics, UCSD

Office hours: Mo We 2:00–2:50 p.m.

Office: SSB 482

e-mail: imajor@ucsd.edu

Lectures: Mo We 11:00–1:50 p.m.

Location: PETERSON 103

Teaching assistant: Aaron Schroeder

e-mail: aaschroe@ucsd.edu

Office hours: Tuesday, 12:00–1:00 p.m.

Office: SEQ 207

SYLLABUS

The purpose of this course is to provide an understanding of issues in economic relations among countries and to develop a framework for analyzing these issues. Major topics to be covered include the determinants of trade in goods and services, international flows of labor and capital, and the effects of trade policy on economic welfare. International financial issues are covered in Economics 103.

Required reading

Robert C. Feenstra and Alan M. Taylor, *International Trade*, Worth Publishers, N.Y.: New York, 2008 (hereafter: F&T).

Lectures and presentations

Each class will start with a group presentation based on the topic that had been covered in previous classes. Then the lecture will follow. Lecture notes will be available from the course's website at <http://ted.ucsd.edu>.

Group Presentation and Outline

You are required to work in teams on different issues related to development and present the results of your analysis in a class presentation. Students will be randomly assigned to small groups to present on different topics. You are also required to hand in your group work as a detailed outline of your presentation. Papers, presentations and discussion will help you apply the sophisticated tools that the course offers.

Presentations should not run longer than 10–15 minutes. You are encouraged to use a slide presentation. Please send your slide presentation to me and to the TA(s) by email before 3pm the day of your scheduled presentation. Each presentation will be followed by a discussion. The outline of your presentation should not be longer than 5 pages

double-spaced. Papers are due at the beginning of class on the day of your scheduled presentation.

Grading

Letter grades will be based on your team presentation, on a mid-term in-class, closed book exam and on your final exam.

Group presentation and outline	10%
Midterm exam	40%
Final exam	50%

I'll use a curve in calculating your grade based on the class's average.

Class Schedule

June 27

Introduction – International Trade in the Global Economy

Reading: F&T, Ch 1.

June 29

The Ricardian Model of International Trade

Reading: F&T, Ch 2.

July 6

The Specific Factors Model of Trade

Reading: F&T, Ch 3.

Group presentations on Global Issues of International Trade

July 11

The Heckscher-Ohlin Model

Reading: F&T, Ch 4.

Group presentations on the Ricardian and on the Specific Factors model

July 13

International Movement of Labor and Capital

Reading: F&T, Ch 5.

Group presentations on the Heckscher-Ohlin model

July 18

MIDTERM EXAM

July 20

Trade under Imperfect Competition

Reading: F&T, Ch 6.

Group presentations on movement of labor and capital between countries

July 25

Outsourcing and International Agreements

Reading: F&T, Chs 7, 10 and 11.

Group presentations on outsourcing and international agreements

July 27

Trade Policies under Perfect and Imperfect Competition

Reading: F&T, Chs 8 and 9.

Group presentations on the welfare effects of trade policies

Final Review

FINAL EXAM: July 29, 11:30 am – 2:29 pm, location: TBA