

# Economics 101: International Trade

## Summer Session I, 2017

Instructor: Ivan Major

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Lectures: MTuWTh 9:30–10:50 a.m.

Location: WLH 2204

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### SYLLABUS

The purpose of this course is to provide an understanding of issues in economic and political 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*, 3<sup>rd</sup> edition, Worth Publishers, N.Y.: New York, 2011 (hereafter: F&T).

#### Lectures and presentations

From our third meeting on July 5, 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://TritonEd.ucsd.edu>.

#### *Group Presentation and Outline*

You are required to work in teams on different issues related to development of trade and present the results of your analysis in a class presentation. Students will be randomly assigned to 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 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.

<b>Group presentation and outline</b>	<b>10%</b>
<b>Midterm exam</b>	<b>40%</b>
<b>Final exam</b>	<b>50%</b>

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

**Class Schedule**

*July 3*

Introduction – International Trade in the Global Economy

*July 4*

Public Holiday – no class

Reading: F&T, Ch 1.

*July 5*

The Ricardian Model of International Trade I

Reading: F&T, Ch 2.

*July 6*

The Ricardian Model of International Trade II

Reading: F&T, Ch 2.

*Group presentation on Global Issues of International Trade*

*July 10*

The Specific Factors Model of Trade I

Reading: F&T, Ch 3.

*Group presentation on the Ricardian model*

*July 11*

The Specific Factors Model of Trade II

Reading: F&T, Ch 3.

*July 12*

The Heckscher-Ohlin Model I

Reading: F&T, Ch 4.

*Group presentation on the Specific Factors model*

*July 13*

The Heckscher-Ohlin Model II  
Reading: F&T, Ch 4.

**July 17**  
MIDTERM EXAM

**July 18**  
International Movement of Labor and Capital I  
Reading: F&T, Ch 5.

*Group presentation on the Heckscher-Ohlin model*

**July 19**  
International Movement of Labor and Capital II  
Reading: F&T, Ch 5.

*Group presentation on movement of labor between countries*

**July 20**  
Trade under Imperfect Competition I  
Reading: F&T, Ch 6.

*Group presentation on movement of capital between countries*

**July 24**  
Trade under Imperfect Competition II  
Reading: F&T, Ch 6.

**July 25**  
Outsourcing I  
Reading: F&T, Ch 7.

*Group presentation on imperfect competition in foreign trade*

**July 26**  
Outsourcing II  
Reading: F&T, Ch 7.

**July 27**  
Trade Policies under Perfect and Imperfect Competition I  
Reading: F&T, Chs 8 and 9.

*Group presentation on outsourcing*

**July 31**  
Trade Policies under Perfect and Imperfect Competition II  
Reading: F&T, Chs 8 and 9.

**August 1**  
International Agreements I

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

***August 2***

International Agreements II.

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

***August 3***

*Group presentation on international agreements*

Final Review

**FINAL EXAM: August 4, 8:00–10:59 a.m., location: TBA**