

# University of Missouri – Columbia

Fall 2019

***ECONOMICS 4326 / 7326:  
Economics of International Trade***

***Syllabus***

**Classes:** Stewart Hall 102 (Parker Auditorium), M-W-F, 2-2:50pm

**Instructor:** Vitor Trindade ([trindadev@missouri.edu](mailto:trindadev@missouri.edu), telephone 884-7070)

**Instructor's Office Hour:** Professional Building 237, Tuesdays, 2-3 pm, or by appointment

**Test dates:** tests will be held at the end of the 5<sup>th</sup>, 10<sup>th</sup>, and 15<sup>th</sup> weeks of class, in the regular classroom and time:

**Test 1: Friday, September 20**

**Test 2: Friday, October 25**

**Test 3: Wednesday, December 4**

## Overview

This course studies the microeconomic theory of international trade. Topics include comparative advantage, the theory of commercial policy, economic integration, trade with less developed countries and the trade effects of economic growth. Prerequisite: Economics 3251 or 4351.

## Why study international trade

We live in a globalized world, in which more people travel and work abroad, and more goods and services cross national borders than ever was thought possible. This course will help you understand this environment. The emphasis will be on the causes and consequences of trade between countries. We shall also take side trips into many other issues, such as international migration, development policy, and political economy.

## Textbook

Krugman, Paul R., Maurice Obstfeld and Marc J. Melitz, *International Trade: Theory and Policy*, 11th Edition.

This course is part of the University's AutoAccess program. You will be able to access the digital content for this course automatically through Canvas, on the first day of class. Your student account will be charged \$143.50 for the cost of the digital course material.

Note that you have the option to opt out of this program. Should you choose to do so, you have until September 3, 2019. Once you have opted out, your student account will receive a refund.

Important: If you opt out, please make sure that you do purchase separate access to MyEconLab from Pearson. MyEconLab will be used extensively throughout the course, and your work on MyEconLab will count for your final grade.

If you have any additional questions on the AutoAccess program, please visit [www.themizzoustore/autoaccess](http://www.themizzoustore/autoaccess) or email [AutoAccess@missouri.edu](mailto:AutoAccess@missouri.edu).

## Class participation

You are encouraged to ask and answer questions in class, and generally to participate in the discussion. From my experience, students that engage in the discussion are more likely to do well in my classes. By contrast, I suggest that you be parsimonious with note taking. An old joke is that the class material goes directly from the instructor's slides to the student's notebook without passing through the minds of either! Let us all avoid this by talking to each other.

## Course web page

All course materials, including homework, tests, answer keys, etc., will be available through Canvas at: <http://courses.missouri.edu>.

## Important note on course announcements

I will use Canvas for announcements about the class. Some of these may involve important schedule changes. **Make sure that you are getting all announcements.**

## Graduate credit

There will be some extra work for Economics 7326. One piece of your extra graduate work will consist of a **Case Study**. **Some more graduate level work will be announced in class.**

The **Case Study** will consist of a discussion of a particular trade policy of the United States, or any other country, or group of countries. For example: the United States quota on imports of sugar; the US-Japan Voluntary Export Restraints on Japanese automobiles; or the European Union's Common Agricultural Policy. Depending on your interests, you may choose current topics that are in the news. Examples: the causes and consequences of the US-China “trade war”; the consequences of the Brexit process; the Japan-South Korea trade dispute; the newly proposed North American trade agreement.

You may consult me when choosing the topic of your paper. You are free to focus on different aspects of the policy that interest you. For example, if your paper is on the US-China trade disputes, you may focus on economic consequences (what is the likely impact on the GDP of either country?), on the political economy of the issue (why is there a dispute?), on the impact on a special group (US consumers, Chinese industry, ...), or any other aspect that interest you. If your paper is on Brexit, you may for example discuss the likely impact on North Ireland, or on British industry.

It is important that you present a balanced view, discussing all the advantages and disadvantages of the policy, and that you refer to formal research that you will find on the issue. You may also mention print or online press articles on the same issue. Please include a full reference list at the end of your paper. Your paper should not be shorter than 4-5 pages, and it should not be longer than 10 pages, including reference list.

## Requirements and Grading

**IMPORTANT NOTE:** grades will be awarded with + / -.

Your final grade will be determined according to the weights in the following table:

	Econ 4326	Econ 7326
Homework	10%	10%
Test 1	30%	25%
Test 2	30%	25%
Test 3	30%	25%
Graduate work		15%

Important: in marginal cases I will use your class participation to decide your grade.

## Final Grading Schedule

If your total points $\geq$	Your guaranteed grade is:
90%	A-
80%	B-
70%	C-
60%	D-

## Policy on Make-Up Tests

Make-up tests will be for true and certified (i.e., by a doctor) emergencies only. Having to attend your cousin's wedding is not an emergency! All make-up tests will consist of an oral exam with the instructor.

### ACADEMIC INTEGRITY

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

### ACCOMMODATION OF DISABILITIES

Students with Disabilities:

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible.

If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please establish an accommodation plan with the [MU Disability Center](#), S5 Memorial Union, 573-882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for persons with disabilities, click on "Disability Resources" on the MU homepage.

## **INTELLECTUAL PLURALISM**

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the departmental chair or divisional director; the director of the [Office of Students Rights and Responsibilities](#); the [MU Equity Office](#), or [equity@missouri.edu](mailto:equity@missouri.edu).

All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

## **ACADEMIC INQUIRY, COURSE DISCUSSION, AND PRIVACY**

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of [section 200.020](#) of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

## **TITLE IX**

University of Missouri policies prohibit discrimination on the basis of race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, pregnancy, age, genetic information, disability and protected veteran status. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. Sex-based violence includes rape, sexual assault, unwanted touching, stalking, dating/interpersonal violence, and sexual exploitation.

If you experience discrimination, you are encouraged (but not required) to report the incident to the MU Office for Civil Rights & Title IX. Learn more about your rights and options at [civilrights.missouri.edu](http://civilrights.missouri.edu) or call 573-882-3880. You also may make an anonymous report online.

Students may also contact the Relationship & Sexual Violence Prevention (RSVP) Center, a confidential resource, for advocacy and other support related to rape or power-based personal violence at [rsvp@missouri.edu](mailto:rsvp@missouri.edu) or 573-882-6638, or go to [rsvp.missouri.edu](http://rsvp.missouri.edu).

Both the [Office for Civil Rights & Title IX](#) and the [RSVP Center](#) can provide assistance to students who need help with academics, housing, or other issues.

## TENTATIVE SCHEDULE OF CLASSES

DATES	TOPICS	READINGS
August 19	Introduction. The gravity model of international trade. The pattern of international trade.	Chapter 1 Chapter 2
August 21, 23, 26, 28, 30	The Ricardian model of international trade.	Chapter 3
September 4, 6, 9, 11, 13, 16	The specific factors model. International migration.	Chapter 4
September 18	Review for Test 1.	
<b>Friday, September 20</b>	<b>Test 1</b>	
September 23, 25, 27, 30, October 2, 4	The factor-proportions (Heckscher-Ohlin) model of international trade.	Chapter 5
October 7, 9, 11	The standard model of international trade.	Chapter 6
October 14, 16, 18, 21	The instruments of trade policy	Chapter 9
October 23	Review for Test 2	
<b>Friday, October 25</b>	<b>Test 2</b>	
October 28, 30, November 1	External economies of scale and international trade.	Chapter 7
November 4, 6, 8, 11, 13	Firms in the global economy.	Chapter 8
November 15, 18, 20, 22	The political economy of trade policy.	Chapter 10
(Time permitting)	Trade policy in developing countries. Controversies in Trade Policy.	Chapter 11 Chapter 12
December 2	Review for Test 3	
<b>Wednesday, December 4</b>	<b>Test 3</b>	