

# University of Missouri – Columbia

Spring 2020

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

*Syllabus*

**Instructor:** Vitor Trindade

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**Virtual Office Hours (via Skype name: vitor-trindade):**

Tuesday, 4-5 pm,

Wednesday, 7-8 am,

or by appointment (send me an email to arrange a different time).

Note: any changes will be communicated through Canvas announcements.

**Time Zone:** all times (including test times) are in the time zones:

Central Standard Time, before March 8, 2020

Central Daylight-Saving Time, on or after March 8, 2020

## COURSE OVERVIEW

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 will also take side trips into many other issues, such as international migration, the tools and the political economy of trade policy, the impact of economies of scale, trade with less developed countries and the trade effects of economic growth.

Even though the emphasis will be on explanations for why and how countries trade with one another, it will not be a purely theoretical course, as we will also explore the empirical evidence of international trade.

## LEARNING OBJECTIVES

Upon successful completion of the course, you will be able to:

- Identify the causes and consequences of international trade.
- Understand how countries can gain by engaging in international trade.
- Distinguish how the causes and grains from trade change with different market structures.
- Calculate the welfare impact of different international trade policies.
- Have an intelligent and informed discussion about the legitimate and the illegitimate arguments for and against free trade.

## COURSE EXPECTATIONS

This is a technology-enhanced course, delivered entirely through the internet. This technology provides you with many benefits, in terms of flexibility and access. But it does put the burden on each student to keep up with the material. To enhance your learning, and help you successfully achieve the Learning Objectives above, you are expected to perform the following duties:

- Your first task is to read this syllabus in its entirety!
- Soon after the beginning of the semester please introduce yourself. I'll leave it to you whether you prefer to do this by an email to or by Skype. Either way, tell me about your academic goals, which program you are enrolled in, what your preparation is, and anything else that you consider relevant.
- You must access the course (through Canvas, see below) often, and at least once each week. This will allow you to keep up with all course announcements, and with all new materials. Typically, new materials will be posted several times each week, consisting of a combination of: lecture videos; homework sets; online quizzes; and others.
- As you will see, I will often suggest that you to pause the instruction videos to think about a question by yourself. The question is answered in the continuation of the video. Please do pause the video often, if not every single time I suggest you do so, and make sure to restart the video only when you think you have an answer. This is a great way to watch the video actively, and to check your understanding of the class so far. Even if your answer is wrong, understanding *why* it is wrong will greatly enhance your learning.

- Please enter all online work (homework sets, online quizzes, and tests) promptly and before the due date. Extensions will be given for *certified* emergencies only, with proper documentation (such as a doctor's note).

## ONLINE ACCESS

You will be able to access all course content through your Canvas account, found here: <https://courses.missouri.edu/>. If you haven't already done so, please take a few minutes to familiarize yourself with the Canvas site. If you run into any technical issues, by all means feel free to ask me, but note that the university has a lot of technical support, which can be found here: <https://doit.missouri.edu/tech-support/>.

## PANOPTO

Lectures will be delivered through videos using the Panopto service. These videos are jointly copyrighted by the instructor and the Curators of the University of Missouri. You can view them and download them to view them in a mobile device, but you cannot share them with anyone in any form. Sharing them or posting them to other websites, including YouTube, Facebook, or any other site without express, written permission may result in disciplinary action and possible prosecution.

## 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. You have until **February 4, 2000** to opt out, otherwise your student account will be charged for the cost of the digital course material. You will be sent a Welcome Email from the Mizzou Store that will provide charge amounts, the opt-out process and any additional information needed for your AutoAccess course(s), beginning Jan 8, 2020.

**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.

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

## PREREQUISITE

For Economics 4326: Economics 3251 or 4351.

For Economics 7326: Economics 7351 or instructor's consent.

Mathematical knowledge needed for this class is kept at a minimum. In particular, the class does not use calculus. However, we do use graphical analysis extensively, so please make sure that you are able to perform economic analysis using graphs.

If you are in doubt about your preparation for the class, please contact me as soon as possible.

## TESTS

All tests are taken online with Canvas, using the Examity service. Regular tests for undergraduate students are entirely multiple-choice, and take 60 minutes each. Graduate students take these tests, plus an additional set of questions, for up to 90 minutes. You will be given a 48-hour window, during which you can choose the most convenient time for you to work on the test. However, once you start, you'll need to finish the test in one session. Please make sure that you prepare ample time to work on it before you start, as you will not have the chance to save your work and come back to it later.

Given that the test dates were announced months ahead of time, and that you have a 48-hour window, make sure that you manage your schedule (your work, your other classes, and any other activities) in such a way that you have time to prepare for, and to take, the tests.

Test times are:

### Test 1

**Thursday, February 20, 0:01 am, to  
Friday, February 21, 11:59 pm**

### Test 2

**Thursday, April 2, 0:01 am, to  
Friday, April 3, 11:59 pm**

### Test 3

**Wednesday, May 6, 0:01 am, to  
Thursday, May 7, 11:59 pm**

## 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! At the discretion of the instructor, make-up tests may consist of an oral exam.

## CLASS PARTICIPATION

There are several ways to participate in class, but the main ones are: the discussion forum, my office hours, or my email. You are encouraged to ask and answer questions in the discussion

forum, and this may be the best way to interact in the class. From my experience, students that engage in the discussion are more likely to do well in the class.

## GRADUATE CREDIT

If you are enrolled in Economics 7326, you will take an additional set of questions after each regular test. These additional sets of questions will be worth collectively 15% of your grade.

## REQUIREMENTS AND GRADING

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

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

|                | <b>Econ 4326</b> | <b>Econ 7326</b> |
|----------------|------------------|------------------|
| Homework       | 10%              | 10%              |
| Test 1         | 30%              | 25%              |
| Test 2         | 30%              | 25%              |
| Test 3         | 30%              | 25%              |
| Graduate tests |                  | 15%              |

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

## FINAL GRADING SCHEDULE

| <b>If your total points <math>\geq</math></b> | <b>Your guaranteed grade is:</b> |
|---|----------------------------------|
| 90%   | A-                               |
| 80%   | B-                               |
| 70%   | C-                               |
| 60%   | D-                               |

## 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.

## WEEKLY SCHEDULE OF CLASSES (SUBJECT TO CHANGE)

| UNIT | WEEKS | TOPICS   | READINGS   |
|------|-------|--|--|
| 1    | 1     | Introduction to the class.<br><br>The gravity model of international trade. The pattern of international trade.                            | Chapter 1<br><br>Chapter 2                                     |
| 2    | 2-3   | The Ricardian model of international trade.  | Chapter 3  |
| 3    | 4-5   | The specific factors model.<br>International migration.  | Chapter 4  |
|      |       | <b>Test 1</b><br><b>Thursday, February 20, 0:01 am, to</b><br><b>Friday, February 21, 11:59 pm</b>   |  |
| 4    | 6-7   | The factor-proportions (Heckscher-Ohlin) model of international trade.   | Chapter 5  |
| 5    | 8     | The standard model of international trade.   | Chapter 6  |
| 6    | 9-10  | The instruments of trade policy  | Chapter 9  |
|      |       | <b>Spring Break:</b> Saturday, March 21, until Sunday March 29 (between weeks 9 and 10). This is a great time to catch up, if you need to. |  |
|      |       | <b>Test 2</b><br><b>Thursday, April 2, 0:01 am, to</b><br><b>Friday, April 3, 11:59 pm</b>   |  |
| 7    | 11    | Trade policy in the presence of market power   | Section 8.1 (monopoly review only)<br><br>Chapter 9 - Appendix |
| 8    | 12    | External economies of scale and international trade.   | Chapter 7  |
| 9    | 13-14 | Firms in the global economy.   | Chapter 8  |
| 10   | 15    | The political economy of trade policy.   | Chapter 10   |
|      |       | <b>Test 3</b><br><b>Wednesday, May 6, 0:01 am, to</b><br><b>Thursday, May 7, 11:59 pm</b>  |  |