

University of Missouri – Columbia

Fall 2021

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

Syllabus

Instructor: Vitor Trindade (trindadev@missouri.edu)

Office Hours: Wednesday, 2-3 pm (use Zoom link under “Zoom UMSystem,” in Canvas); or by appointment (send an email to make an appointment).

Time Zone: all times (including test times) are in U.S. Central Standard Time.

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 helps you to 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 create a discussion forum thread for that purpose, make sure that you post something in it. Tell me and your classmates about your background, academic goals, your prior preparation for this course, and anything else that might you consider relevant.
- You must access the course (through Canvas, see below) often, and at least twice 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.
- In the instruction videos I will often suggest that you pause the video 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 try 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://canvas.umsystem.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 should already have received an email from the AutoAccess team with your course's unique Fall 2021 access code. You can also click on VS Materials to reveal this code. This allows you to access the textbook and all homework from the Canvas website. You should have been given an opt out date (in case you want to want to purchase a paper copy of the textbook, for example). If you do no opt out, your student account will be charged for the cost of the digital material.

In the Course Materials module, you will find two PDF documents for your reference. One is about where to find your access code in your course. The other is a list of days and times and a zoom link from which you can join virtual registration help sessions.

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 or visit 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

There will be two types of tests.

- Tests labeled Econ 4326 (undergraduate) Test 1 etc., will be taken by all students, both those enrolled in Economics 4326, and those enrolled in Economics 7326. These tests are taken online with Canvas. They will be proctored using the service Smarter Proctoring Proctorio, which is made available free of charge by the University. These tests consist entirely of multiple-choice and numerical calculation questions and take 90 minutes. There will be a 36-hour testing period. 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.
- Tests labeled Econ 7326 (graduate) Test 1 etc., are to be taken by students enrolled in Economics 7326 only. These are take-home tests. You will download the test as a PDF file during the 36-hour testing period, and you must submit your answers (either as a Word document, or as a scan or photograph of your handwritten answers), also during the testing period. Other than that, the test is untimed. There will be rules about what you can and cannot consult for this test, to be announced through Canvas.

Given that the test dates were announced months ahead of time, and that you have a 36-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.

The three testing periods are:

Test 1 – at the end of the 5th week of classes

Friday, September 24, 10 am, to

Saturday, September 25, 10 pm

Test 2 – at the end of the 10th week of classes

Friday, October 29, 10 am, to

Saturday, October 30, 10 pm

Test 3 – at the end of the 15th (and last) week of classes

Saturday, December 11, 10 am, to

Sunday, December 12, 10 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, and as explained above, you will take an additional test after each regular test. These additional tests 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:

	Econ 4326	Econ 7326
Homework	10%	10%
Test 1 (undergraduate)	30%	25%
Test 2 (undergraduate)	30%	25%
Test 3 (undergraduate)	30%	25%
Test 1 (graduate)		5%
Test 2 (graduate)		5%
Test 3 (graduate)		5%

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-

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.

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 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 or 573-882-6638, or go to 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.

MENTAL HEALTH

The University of Missouri is committed to supporting student well-being through an integrated network of care, with a wide range of services to help students succeed. The MU Counseling Center offers professional mental health care, and can help you find the best approach to treatment based on your needs. Call to make an appointment at 573-882-6601. Any student in crisis may call or go to the MU Counseling Center between 8:00 – 5:00 M-F. After hours phone support is available at 573-882-6601.

Visit our website at <https://wellbeing.missouri.edu> to take an online mental health screening, find out about workshops and resources that can help you thrive, or learn how to support a friend. Download Sanvello, a phone app that teaches skills and strategies to help you maintain good mental health. Log in with your Mizzou e-mail to unlock all the tools available through Sanvello at no cost to you.

WEEKLY SCHEDULE OF CLASSES (SUBJECT TO CHANGE)

UNIT	WEEKS	TOPICS	READINGS
1	1	Introduction to the class. The gravity model of international trade. The pattern of international trade.	Chapter 1 Chapter 2
2	2-3	The Ricardian model of international trade.	Chapter 3
3	4-5	The specific factors model. International migration.	Chapter 4
		Test 1 Friday, September 24, 10 am, to Saturday, September 25, 10 pm	
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
		Test 2 Friday, October 29, 10 am, to Saturday, October 30, 10 pm	
7	11	Trade policy in the presence of market power	Section 8.1 (monopoly review only) Chapter 9 - Appendix
8	12	External economies of scale and international trade.	Chapter 7
9	13-14	Firms in the global economy.	Chapter 8
		Test 3 Saturday, December 11, 10 am, to Sunday, December 12, 10 pm	