

# University of Missouri – Columbia

**Spring 2024**

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

**Syllabus**

**Instructor:** Vitor Trindade ([trindadev@umsystem.edu](mailto:trindadev@umsystem.edu))

**Office Hours:** Wednesday, 9-10 am (use Zoom link in Canvas);  
or by appointment (send me an email to make an appointment).

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

## COURSE CATALOG DESCRIPTION

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

For Economics 4326: Economics 3251 or 4351.

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

## CREDIT HOURS

3 Units.

## 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.

## 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, do familiarize yourself with Canvas. If you run into any technical issues, the university offers technical support, which can be found here: <https://doit.missouri.edu/tech-support/>.

This course is delivered entirely online, thus there never is the need for you to be physically present in a specific place at a specific time.

## 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 at the beginning of each unit, 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 restart the lecture only when you think you know the answer. This is a great way to watch the class interactively, and to check your understanding of it up to this point. Even if your answer is wrong, understanding *why* it is wrong will greatly enhance your learning.
- Please submit 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).

## 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 have received an email from the AutoAccess team with your course's unique access 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 purchase a paper copy of the textbook, for example). If you do not opt out, your student account will be charged for the cost of the digital material. For any additional questions, email [AutoAccess@missouri.edu](mailto:AutoAccess@missouri.edu). **Important:** If you opt out, please make sure to purchase separate access to Pearson MyLab & Mastering from Pearson. This will be used extensively throughout the course, and your work on it will count for your final grade.

## 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 from within Canvas. They will be proctored using the Smarter Proctoring service, which is made available free of charge by the University. Each undergraduate test consists of 25 multiple-choice and numerical calculation questions, takes 100

minutes, and is closed-book. It will be available during 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 and open-book 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 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.

The three testing periods are:

**Test 1 – at the end of the 5<sup>th</sup> week of classes**

Friday, February 16, 10 am, to  
Saturday, February 17, 10 pm

**Test 2 – at the end of the 10<sup>th</sup> week of classes**

Friday, March 22, 10 am, to  
Saturday, March 23, 10 pm

**Test 3 – at the end of the 15<sup>th</sup> (and last) week of classes**

Saturday, May 4, 10 am, to  
Sunday, May 5, 10 pm

You can start the test at any time within these testing windows. Once you start, you'll have 100 minutes (1 hour, 40 minutes) to finish the test.

## PRACTICE TESTS

There will be a practice undergraduate test before each undergraduate test. The practice tests will have the same format, and time allotment as the actual tests. They will allow you to practice testing on the content of each test, and also to practice on the proctoring technology. In order to encourage everyone to take the Practice Tests seriously, they do count for your final grade, as part of the homework. So, please take them as seriously as you would take any other assignment. The three testing periods for the Practice Tests are:

**Practice Test 1 – during the 5<sup>th</sup> week of classes**

Wednesday, February 14, 10 am, to  
Thursday, February 15, 10 pm

**Practice Test 2 – during the 10<sup>th</sup> week of classes**

Wednesday, March 20, 10 am, to  
Thursday, March 21, 10 pm

**Practice Test 3 – during the 15<sup>th</sup> (and last) week of classes**

Wednesday, May 1, 10 am, to  
Thursday, May 2, 10 pm

## HOMEWORK SETS

Several homework sets will be assigned throughout the semester, one per each chapter of the textbook that is covered in the class. The due dates for all homework sets are listed below:

Chapter	Homework Due
<b>First part of the class</b>	
Chapter 2 Homework	Saturday, January 27, 10 pm
Chapter 3 Homework	Saturday, February 10, 10 pm
Chapter 4 Homework	Thursday, February 15, 10 pm
<b>Second part of the class</b>	
Chapter 5 Homework	Saturday, March 9, 10 pm
Chapter 6 Homework	Saturday, March 16, 10 pm
Chapter 9 Homework	Thursday, March 21, 10 pm
<b>Third part of the class</b>	
Market Power Homework	Saturday, April 13, 10 pm
Chapter 7 Homework	Saturday, April 20, 10 pm
Chapter 8 Homework	Thursday, May 2, 10 pm

## POLICY ON MAKE-UP TESTS AND PRACTICE TESTS

Given that the test dates were announced months ahead of time, and that you have a 36-hour window to take each test and practice test, 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, within the allowed window.

Make-up tests will be given for true and certified emergencies only. Examples of acceptable forms of certification would be a doctor's note, or an obituary notice for a death in the family. 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, or a different written exam.

## POLICY ON LATE OR MISSED HOMEWORK

Please attempt to turn in all homework on time. If you miss one homework set, and send me an email within three days of the missed deadline, I'll allow you to work on that homework set for full credit. Beyond this one-time courtesy, any other missed homework is handled in a manner similar to the tests, that is, you can make it up only for true and certified emergencies.

## STUDY GROUPS

Study groups are voluntary but recommended. They will allow you to work on your homework, and prepare for tests, in a setting in which you discuss the material with your peers. If you're interested in working with a group, look at the People tab, and see if you know anyone that you can work with. If you don't know anyone in the class, don't worry. Right at the beginning of the semester, I will help students in your situation to form a study group. An announcement will be

sent on the first day of classes with instructions on what you have to do. Although I don't try to force students to join a study group, I have found through past experience that study groups tend to be very helpful in enhancing student learning. Therefore, I highly encourage you to be in one!

## PANOPTO

Lectures are delivered with video, using Panopto. These lectures are joint copyright of 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.

## 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

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

	Econ 4326	Econ 7326
Homework, including the Practice Tests	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%

## FINAL GRADING SCHEDULE

Grades will be awarded with + / -.

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

## UNIVERSITY NOTICES

### **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 or the [Office of Academic Integrity](#).

Students are expected to adhere to this honor pledge on all graded work whether or not they are explicitly asked in advance to do so: "I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given nor received unauthorized assistance on this work."

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

When students record something that happens in a course (a lecture, class discussions, meetings, etc.) it has an impact on the rights of the people captured in that recording. For example, the instructor and the University may have rights to the intellectual property contained in that recording. At the same time, another student who may have been recorded has the right to privacy. In order to protect these rights, MU employs a policy (called "[Executive Order No. 38](#)") to govern both situations you may encounter while taking a course – when an instructor allows recordings and when they do not.

- In this class, students may not make audio or video recordings of course activity, except students permitted to record as an accommodation under [section 240.040](#) of the Collected Rules.

Students who violate 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.

### **FERPA**

The Family Educational Rights and Privacy Act (FERPA) of 1974 is a federal law designed to protect the privacy of educational records; to establish the rights of students to inspect and review their education records; and to provide guidelines for the correction of inaccurate and misleading data through informal and formal hearings. The law applies to any individual who is or has been in attendance at an institution and regarding whom the institution maintains educational records. Once students have matriculated to the University of Missouri, i.e. enrolled in course work, FERPA rights transfer to the student, regardless of the student's age.

Students can enable certain individuals to have access to their education records by signing a FERPA waiver. The consent must specify records to be disclosed, state the purpose of the disclosure and identify the party or class of parties to whom the disclosure must be made.

### **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 [Office of Academic Integrity](#), or the [MU Equity Office](#).

### **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.

### **NETIQUETTE**

Your instructor and fellow students wish to foster a safe online learning environment. All opinions and experiences, no matter how different or controversial they may be perceived, must be respected in the tolerant spirit of academic discourse. You are encouraged to comment, question, or critique an idea but you are not to attack an individual. Our differences, some of which are outlined in the University's nondiscrimination statement, will add richness to this learning experience. Please consider that sarcasm and humor can be misconstrued in online interactions and generate unintended disruptions. Working as a community of learners, we can build a polite and respectful course ambiance.

### **RELIGIOUS HOLIDAYS & ACCOMMODATIONS**

Many religious faiths are represented in the student body. The University of Missouri does not restrict student free exercise of religion, unless 1) the restriction is in the form of a rule of general applicability, and does not discriminate against religion or among religions; and 2) it can be demonstrated that the application of the restriction is essential to furthering a compelling university interest, and is not unduly restrictive considering the relevant circumstance. The policy of the University attempts to strike a reasonable balance between accommodating the religious practice of students and meeting academic needs and standards.

Consult IDE's Guide to Religions for the form that can be used to notify an instructor of an absence associated with religious practice. Students are expected to notify their instructor(s) by completing and submitting this form in a manner that is consistent with the procedure outlined in the university's policy on student religious accommodation. Providing false information regarding sincerely held religious practice is a violation of the university's Standard of Conduct and will not be tolerated.

### **NONDISCRIMINATION POLICY (PROHIBITED DISCRIMINATION)**

The University of Missouri does not discriminate on the basis of race, color, national origin, ancestry, religion, sex\* (including gender), pregnancy, sexual orientation, gender identity, gender expression, age, disability, protected veteran status, and any other status protected by applicable state or federal law. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. \*Sex discrimination includes rape, sexual assault, sexual harassment, unwanted touching, stalking, dating/domestic violence, stalking, and sexual exploitation. Retaliation for making or supporting a report of discrimination or harassment is also prohibited.

If you experience discrimination or sexual violence, 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.

If you are a survivor, or someone concerned about a survivor, and need immediate information on what to do, see [RSVP Resources page](#). 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.

In the event that you choose to write or speak about having experienced any of these forms of prohibited discrimination or harassment, Mizzou policies require that, as your instructor, I share this information with the MU Office for Civil Rights & Title IX. They will contact you to offer information about resources, as well as your rights and options as a member of our campus community.

### **STUDENTS WITH DISABILITIES**

The goal of the University of Missouri is to ensure an inclusive learning environment for all students. [The University of Missouri Disability Center](#) provides services and accommodations for students to participate fully in the learning experience and to experience equitable evaluation of their performance. Students (including online students) with a documented disability can contact the Disability Center to establish an [Accommodation Plan](#). Documented disabilities include *hearing, vision, mobility, learning and attention, psychological health, and physical health*. Students' accommodations are implemented with the input of students to maximize the learning experiences. The MU Disability Center keeps information about a student's disability confidential.

Please notify me of your eligibility for accommodations as soon as possible. Additionally, if there are aspects of the course that present as barriers, such as inaccessible course content (e.g., learning assessments, PowerPoints, non-captioned videos, images, tables, PDFs) or if you need an immediate accommodation due to an injury, please contact me or the Disability Center as soon as possible.

## WEEKLY SCHEDULE OF CLASSES

UNIT	WEEKS AND DATES	TOPICS	READINGS
1	1 Tuesday, 1/16 to Sunday, 1/21	Introduction to the class. The gravity model of international trade. The pattern of international trade.	Chapter 1 Chapter 2
2	2-3 Monday, 1/22 to Sunday, 2/4	The Ricardian model of international trade.	Chapter 3
3	4-5 Monday, 2/5 to Saturday, 2/17	The specific factors model. International migration.	Chapter 4
		<b>Test 1</b> <b>Friday, February 16, 10 am, to Saturday, February 17, 10 pm</b>	
4	6-7 Monday, 2/19 to Sunday, 3/3	The factor-proportions (Heckscher-Ohlin) model of international trade.	Chapter 5
5	8 Monday, 3/4 to Sunday, 3/10	The standard model of international trade.	Chapter 6
6	9-10 Monday, 3/11 to Saturday, 3/23	The instruments of trade policy	Chapter 9
		<b>Test 2</b> <b>Friday, March 22, 10 am, to Saturday, March 23, 10 pm</b>	

UNIT	WEEKS AND DATES	TOPICS	READINGS
7	11  Monday, 4/1 to Sunday, 4/7	Trade policy in the presence of market power	Section 8.1 (monopoly review only)  Chapter 9 - Appendix
8	12  Monday, 4/8 to Sunday, 4/14	External economies of scale and international trade.	Chapter 7
9	13-14  Monday, 4/15 to Sunday, 4/28	Firms in the global economy.	Chapter 8
		<b>Test 3</b> <b>Saturday, May 4, 10 am, to</b> <b>Sunday, May 5, 10 pm</b>	