

Economics 101: International Trade

Instructor: Ivan Major

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Office hours: Mo We 11:00 a.m.–12:00 p.m.

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Lectures: MTuWTh 9:30–10:50 a.m.

Location: WLH 2111

Teaching assistant: ...

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SYLLABUS

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

Lectures and presentations

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://ted.ucsd.edu>.

Group Presentation and Outline

You are required to work in teams on different issues related to development and present the results of your analysis in a class presentation. Students will be randomly assigned to small 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 3pm 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.

Group presentation and outline	10%
Midterm exam	40%
Final exam	50%

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

Class Schedule

August 3

Introduction – International Trade in the Global Economy I

August 4

Introduction – International Trade in the Global Economy II

Reading: F&T, Ch 1.

August 5

The Ricardian Model of International Trade I

Reading: F&T, Ch 2.

Group presentation on Global Issues of International Trade

August 6

The Ricardian Model of International Trade II

Reading: F&T, Ch 2.

Group presentation on Global Issues of International Trade

August 10

The Specific Factors Model of Trade I

Reading: F&T, Ch 3.

Group presentation on the Ricardian model

August 11

The Specific Factors Model of Trade II

Reading: F&T, Ch 3.

Group presentation on the Ricardian model

August 12

The Heckscher-Ohlin Model I

Reading: F&T, Ch 4.

Group presentation on the Specific Factors model

August 13

The Heckscher-Ohlin Model II

Reading: F&T, Ch 4.

Group presentation on the Specific Factors model

August 17

MIDTERM EXAM

August 18

International Movement of Labor and Capital I

Reading: F&T, Ch 5.

Group presentation on the Heckscher-Ohlin model

August 19

International Movement of Labor and Capital II

Reading: F&T, Ch 5.

Group presentation on the Heckscher-Ohlin model

August 20

Trade under Imperfect Competition I

Reading: F&T, Ch 6.

Group presentation on movement of labor between countries

August 24

Trade under Imperfect Competition II

Reading: F&T, Ch 6.

Group presentation on movement of capital between countries

August 25

Outsourcing and International Agreements I

Reading: F&T, Chs 7, 10 and 11.

Group presentation on imperfect competition in foreign trade

August 26

Outsourcing and International Agreements II

Reading: F&T, Chs 7, 10 and 11.

Group presentation on imperfect competition in foreign trade

August 27

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

Group presentation on outsourcing and international agreements

August 31

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

Group presentation on outsourcing and international agreements

September 1

Final Review I

Group presentation on the welfare effects of trade policies

September 2

Final Review II

Group presentation on the welfare effects of trade policies

September 3

Final Review III

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