



University Studies Abroad Consortium

In collaboration with Shanghai University- Shanghai, China

COURSE SYLLABI

International Trade

Spring, 2008

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Required Text:

Krugman, Paul and Maurice Obstfeld (2005), 7th Edition. International Economics Theory and Policy, Addison-Wesley

Alternative Text:

Robert J. Carbaugh (2002), International Economics, 8th Edition, Thomson South-Western Press

Dennis R. Appleyard & Alfred J. Field(2003), Jr.: International Economics, 4th Edition, McCraw Hill

Beth V. Yarbrough and Robert M. Yarbrough (2006) , The World Economy: International Trade, 7th Edition, Thomson South-Western Press

Recommend Reading:

Paul Krugman (1998) Pop Internationalism, The MIT Press

The Economist

The New York Times and the Wall Street Journal

China Daily

Objectives:

This course begins with a series of important questions concerning the international economy. What do we mean by globalization? Should governments worry about the effect of international competition on domestic industries? Is free trade always beneficial for a nation, and who gains and who loses from trade? Should the United States or China pursue free trade? Can governments pick winners?

Description:

To understand these policy issues, we must first understand the theory of international trade. We start with the simplest and the most elegant trade model: David Ricardo's model of comparative advantage. Next, we move on to the Specific Factors and Heckscher-Ohlin models.

We then ask if these models explain observed trade patterns. Finally, we move beyond the traditional competitive market setting to study intra-industry trade with economies of scale.

In practice many nations still restrict trade. Tariffs, quotas, voluntary export restraints and local content requirements are common. Why do countries oppose free trade, and how do trade interventions affect the domestic economy? These topics are the focus of the second part of the course. In the last section, we discuss economic integration including free trade areas and customs union as well as foreign direct investment and multinationals. Moreover, we will devote part of the class to examining recent developments in China in regard to its economic zones and trade policy in general.

Assessment:

There will be two exams for the semester. All exam questions are essay questions. Bring your own blue books for the exams. Students are required to take all exams; there will be **no** make-up tests except in extreme circumstances (e.g., accident.) Your semester grade is a weighted average of the following:

Attendance and Class discussion	10%
Presentation	15%
Quiz and Essay	15%
Mid-term Exam	20%
Final Exam	40%

Attendance and class discussion (10%)

In this section, 5% for attendance and 5% for class discussion. Students are required to be attended in class every week. If being absent for three times, they will get ZERO in 5% of attendance. In class randomly chosen students will be called on. The discussion portion of your grade will be based on your responses throughout the semester. A student who does not respond when called upon, due to absence or any other reason, will receive a zero for that day's discussion grade.

Presentation(15%)

In this course, we will learn a lot about international trade theory and international trade policy. It is very important for students to use the theory and knowledge in this course to analyze the real world. So they are required to focus on the latest hot topics and cases on international trade theory and international trade policies and make presentations for them. Presentation on these topics is 15% of the total mark.

According to the total number of students, some groups are divided among the class. And the model of presentation should include member assignment, outline, main content, conclusion, suggestion, Q and A, and reference. Assessments will be based on content and speaking in each presentation. And there are about five presentations in this semester.

Quiz and Essay (15%)

There are quizzes and writing assignment in this course. In this section, 5% for quizzes and 10% for essay. The topic of the essay should be about international trade and be at least 1,000 words in English.

Mid-term exam(20%)

There is a mid-term exam when half of the course is finished. The exam will last for one and a half hours. And it is 20% of the total mark.

Final exam(40%)

After finish studying this course, there will be a final exam. The final exam will last for two hours. And it is 40% of the total mark.

Make-Up Policy:

No make-ups, except at the instructor's discretion in extreme circumstances (e.g. accident). Students are required to provide verifiable documentation of the reasons for their absence.

Academic Dishonesty:

Academic dishonesty will not be tolerated. Such behavior will result in a failing grade And possible disciplinary action.

Class Conduct

Students are expected to come to class on time and stay for the entire lecture. Students are not allowed to eat or sleep in class. In addition, students are not permitted to wear sunglasses during exams. Reading newspapers, etc. is prohibited. Moreover, students should not talk to each other during the class time as this disrupts the class. Those students who do not follow the rules outlined above will be dismissed from class.

Finally, cheating is not tolerated and will result in the students receiving an "F" from the instructor.

Miscellaneous:

Our progress will depend on the performance of the class. Although there is no attendance policy, you should not miss lectures. Note also, our exam questions are drawn from class lectures, and are **not** limited to your textbook. Over the semester, problem sets will be given and discussed in class to allow students to test their understanding of the subject.

Disabilities and Religious Holidays:

If you have a documented disability that may require that you take longer time for your exam, you need to inform the instructor at the beginning of the semester.

Any student missing examinations or any other class work because of observance of religious holidays will be given an opportunity during the semester to make up missed work. The makeup will apply to the religious holiday absence only. It is the responsibility of the student to notify the instructor beforehand.

COURSE OUTLINE: TENTATIVE SCHEDULE

Date:

TOPIC:

Jan.16 Syllabus discussion, Form group, Introduction(CH01,CH02)

1

Jan.23 The Ricardian Model: Trade in one-factor world(CH03)

2

Jan.30 The Ricardian Model: Comparative advantage with many goods CH03)

3

Feb.6-12 Chinese New Year

Feb. 13 (1)**Presentation I** :Case Study of The Ricardian Model

4

(2)Specific factors and income distribution (CH04)

Feb. 20 The Heckscher-Ohlin Model (CH04)

5

Feb. 27 (1)**Presentation II** : Case Study of Heckscher-Ohlin Model

6

(2)The standard trade model (CH05)

Mar. 5 (1) **Presentation III**: Case Study of the standard trade model

7

(2) Economies of scale and international trade(CH06)

Mar. 12 (1) Dumping(ch06)

8

(2) **Mid-term exam**

Mar. 19 International Factor Movement (CH07)

9

Mar. 26 The instrument of trade policy: tariff(CH08)

10

Apr. 2 (1) **Presentation IV**: Case study of tariff

11

(2) The instrument of trade policy: export subsidies, import quotas, VER, etc.
(CH08)

Apr. 9 (1) **Presentation V**: Case study of other instruments of trade policy

12

(2) The political economy of trade policy I (CH09)

Apr. 16 (1)The political economy of trade policy II (CH09)

13

(2)Presentation: Case study of the political economy of trade policy

Apr. 23 Trade policy in developing countries I (CH10)

14

Apr. 30 Trade policy in developing countries II (CH10)

15

May 7 **Final Exam**

16