

University of Colorado at Boulder
Fall Semester 2017

Econ 4413: International Trade

LECTURE:	HLMS 241, Tuesdays and Thursdays, 12:30pm – 1:45pm
INSTRUCTOR:	Sergey Nigai
OFFICE:	ECON 10
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WEB-SITE:	D2L
OFFICE HOURS:	Tuesdays and Thursdays, 3:00pm – 4:00pm, and by appointment

COURSE DESCRIPTION AND OBJECTIVES:

The objective of this course is to develop a rigorous understanding of key concepts and mechanisms in international trade. Among others, we will answer the following questions: Why do countries trade? Who are the winners and losers of increasing globalization? How do firms decide what and where to export? How do countries form their trade policies? We will review these and other questions through the lens of both international trade theory and real world data.

REQUIREMENTS AND PREREQUISITES:

The prerequisite for this course is completion of ECON 3070: Intermediate Microeconomic Theory. It is assumed that you are comfortable with the basic concepts and mathematical tools used in microeconomics. I highly recommend reviewing your notes from microeconomics and calculus.

REQUIRED AND RECOMMENDED BOOKS:

The required text is:

– Paul Krugman, Maurice Obstfeld and Marc Melitz, *International Economics: Theory and Policy*, 10th edition, 2015, Prentice Hall. (earlier editions will also suffice).

For in-class debates and general understanding of globalization I recommend reading:

- Douglas A. Irwin, *Free Trade under Fire, Fourth Edition*, 2015, Princeton University Press
- Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy*, 2011, New York and London: W.W. Norton
- Jagdish Bhagwati, *In Defense of Globalization*, 2007, Oxford University Press

Recommended books are either available on reserve (online) in the Norlin Library.

COURSE STRUCTURE:

The course will consist of lectures, in-class exercises, homework, and debates:

- Attendance: It is essential for you to attend the lectures to understand the material.
- In-class exercises: We will have several group in-class exercises and problem sets. These will help you grasp the material better and prepare for the exams. There will be no make up dates for these exercises.
- Homework: There will be two homework assignments. They will be posted on the web and will be due at the beginning of class on the pre-specified date. I will not accept late assignments unless there is a documented special circumstances.
- In-class debates: You will be randomly divided into groups of 3-4 students. Each group will be assigned a debate topic and position (pro or contra). We will debate about current issues in international trade using economic models, data, and analytical tools. You will be required to do research on the given topic and submit an outline (up to 3 pages) in writing listing your main arguments and data sources. I will post the schedule and topics for the debates in due time.

EXAMS AND GRADING:

We will have one in-class midterm and a cumulative final exam. There will be no make up exams. The weights of the final grade are as follows:

FINAL EXAM:	40%
MIDTERM EXAM:	30%
DEBATES:	15%
HOMEWORK ASSIGNMENTS:	10%
CLASS PARTICIPATION:	5%

COURSE OUTLINE:

This is a tentative lecture schedule that may be subject to revision:

WEEK	DATE	SOURCE	CHAPTER
Week 1	Aug. 29, Aug. 31	Introduction and Overview	Chapter 1,2
Week 2	Sep. 5, Sep 7	Comparative Advantage: The Ricardian Model	Chapter 3
Week 3	Sep. 12, Sep. 14	Specific Factors Model (I)	Chapter 4
Week 4	Sep. 19, Sep. 21	Specific Factors Model (II), Heckscher-Ohlin Model (I)	Chapter 5
Week 5	Sep. 26, Sep. 28	Heckscher-Ohlin Model (II), Standard Trade Model (I)	Chapter 5, 6
Week 6	Oct. 3, Oct. 5	Standard Trade Model (II)	Chapter 6
Week 7	Oct. 10, Oct. 12	External Economies of Scale	Chapter 7
Week 8	Oct. 17, Oct. 19	Review and Midterm (Oct. 19)	
Week 9	Oct. 24, Oct. 26	Firms in the Global Economy	Chapter 8
Week 11	Nov. 7, Nov. 9	The Instruments of Trade Policy	Chapter 9
Week 12	Nov. 14, Nov. 16	The Political Economy of Trade Policy	Chapter 10
Week 13	Nov. 21, Nov. 23	Thanksgiving Break	

Week 14	Nov. 28, Nov. 30	Trade Policy in Developing Countries	Chapter 11
Week 15	Dec. 5, Dec. 7	Controversies in Trade Policy, In-class debates (I)	Chapter 12
Week 16	Dec 12, Dec. 14	In-class debates (II), Review	
Dec. 18	4.30pm-7.00pm	Final Exam	

POLICIES:

We will comply with all CU Boulder policies including:

- Academic Integrity: <http://www.colorado.edu/policies/academic-integrity-policy>
- Examination: <http://www.colorado.edu/policies/final-examination-policy>
- Religious Holidays: <http://www.colorado.edu/policies/observance-religious-holidays-and-absences-classes-andor-exams>
 - Students who miss homework assignment or the midterm exam due to religious holidays must notify me at least two weeks in advance explaining the reason for absence. If this is the case, the weight of the missed homework will be shifted to the remaining assignments and the weight of the midterm exam will be shifted to the final exam. There will be no make up exams or extra-credit assignments.
- Classroom behavior: <http://www.colorado.edu/policies/student-classroom-and-course-related-behavior>
 - The use of electronic devices is generally not permitted. There is now significant amount of research showing that the use of laptops, phones and other electronic devices is detrimental to learning:
 - * <http://journals.sagepub.com/doi/abs/10.1177/0956797614524581?journalCode=pssa>
 - * <http://www.sciencedirect.com/science/article/pii/S0360131512002254>
 - Please contact me if you have special circumstances and must use an electronic device.
- Honor code: <http://www.colorado.edu/policies/student-honor-code-policy>