

University of Colorado at Boulder
Spring Semester 2024

Econ 4413: International Trade

LECTURE:	GUGG 205, Tue., Thu. at 02:00 PM - 03:15 PM
INSTRUCTOR:	Dr. Sergey Nigai
OFFICE:	ECON 122
EMAIL:	sergey.nigai@colorado.edu
WEB-SITE:	CANVAS
OFFICE HOURS:	Tue.,Thu. at 12:45pm-1:45pm, 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 Trade: Theory and Policy, 11th edition, 2018, Prentice Hall.* (earlier or later editions will also suffice).

you can also use:

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

Additional recommended books:

– *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

WEB-PLATFORM

You will be able to use CANVAS platform for most of the class activities including:

- Viewing supporting documents such as syllabus, lecture slides, and answer keys.
- Submitting your assignments.
- Viewing your grades.

CLICKERS

Your in-class participation will be based on the clicker questions. You will get 2 points for a correct answer, 1 point for an incorrect answer, and 0 for no answer. I will discard 8 answers with the lowest score in the end of the semester. You will need an i-clicker. You can purchase it from the bookstore. You must register your clicker at <https://cuconnect.colorado.edu/uPortal/index.jsp>.

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. Attending and participating in in-class activities and exercises will count towards the participation component of the final grade.
- 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 six homework assignments. They will be posted on the web and will have a specific deadline (announced in class). If you miss an assignment due to a medical reason the weight of this homework will be shifted to the remaining ones. However, you must inform me in advance before the deadline. There will be no make-up assignments.
- 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 two in-class midterms and a cumulative final exam. There will be no make up exams. The weights of the final grade are as follows:

FINAL EXAM:	30%
MAXIMUM OF MIDTERM I AND MIDTERM II:	25%
PAPER:	20%
HOMEWORK ASSIGNMENTS:	10%
CLICKER QUESTIONS:	10%
PARTICIPATION:	5%

When calculating the final grade for the class, I will use the maximum score you get for either of the two midterms. Hence, if you miss one of the midterms, the score for this test will be automatically dropped. However, if you miss both midterms due to a documented medical reason (you will have to provide proofs for both), the weight of the midterm will be shifted to the final exam. There will be no make up exams or extra-credit assignments. If your scores for both midterms are in top 5% of the class, you will get 10% added to your final exam.

IN-CLASS POLICIES:

All students start the semester with 5% for participation. If you break (1) and(2) below, your participation score will decline to 0%. These regulations hold for both lectures and recitations.

1. No laptops, no cellphones.
 - 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. If you must use an electronic device for taking notes due to a medical condition please consult with me.
2. No side conversations that would disrupt the classroom

COURSE OUTLINE:

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

WEEK	TOPIC	CHAPTER
Week 1	Introduction and Overview	Chapter 1,2
Week 2	Comparative Advantage: The Ricardian Model	Chapter 3
Week 3	Specific Factors Model (I)	Chapter 4
Week 4	Specific Factors Model (II)	Chapter 5
Week 5	Heckscher-Ohlin Model (I)	Chapter 5

Midterm I: February 15th		
Week 6	Heckscher-Ohlin Model (II)	Chapter 6
Week 7	Standard Trade Model (I), Standard Trade Model (II)	Chapter 7
Week 8	External Economies of Scale	Chapter 8
Week 9	Firms in the Global Economy (I)	Chapter 8
Week 10	Firms in the Global Economy (II)	Chapter 8
Midterm II: March 21st		
Week 12	Firms in the Global Economy (III)	Chapter 8
Week 13	The Instruments of Trade Policy	Chapter 9
Week 14	The Political Economy of Trade Policy	Chapter 10-11
Week 15	In-class presentations	
Week 16	In-class presentations and Review	
Final Exam: Sunday, May 5th, 4:30–7 p.m.		

POLICIES:

We will comply with all CU Boulder policies including:

- Classroom Behavior
 - Both students and faculty are responsible for maintaining an appropriate learning environment in all instructional settings, whether in person, remote or online. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the policies on [classroom behavior](#) and the [Student Conduct & Conflict Resolution](#) policies.
- Requirements for COVID-19
 - As a matter of public health and safety, all members of the CU Boulder community and all visitors to campus must follow university, department and building requirements and all public health orders in place to reduce the risk of spreading infectious disease. Students who fail to adhere to these requirements will be asked to leave class, and students who do not leave class when asked or who refuse to comply with these requirements will be referred to [Student Conduct and Conflict Resolution](#). For more information, see the policy on [classroom behavior](#) and the [Student Code of Conduct](#). If you require accommodation because a disability prevents you from fulfilling these safety measures, please follow the steps in the “Accommodation for Disabilities” statement on this syllabus.
 - CU Boulder currently requires masks in classrooms and laboratories regardless of vaccination status. This requirement is a precaution to supplement CU Boulder’s COVID-19 vaccine

requirement. Exemptions include individuals who cannot medically tolerate a face covering, as well as those who are hearing-impaired or otherwise disabled or who are communicating with someone who is hearing-impaired or otherwise disabled and where the ability to see the mouth is essential to communication. If you qualify for a mask-related accommodation, please follow the steps in the "Accommodation for Disabilities" statement on this syllabus. In addition, vaccinated instructional faculty who are engaged in an indoor instructional activity and are separated by at least 6 feet from the nearest person are exempt from wearing masks if they so choose.

- If you feel ill and think you might have COVID-19, if you have tested positive for COVID-19, or if you are unvaccinated or partially vaccinated and have been in close contact with someone who has COVID-19, you should stay home and follow the further guidance of the [Public Health Office \(contacttracing@colorado.edu\)](mailto:contacttracing@colorado.edu). If you are fully vaccinated and have been in close contact with someone who has COVID-19, you do not need to stay home; rather, you should self-monitor for symptoms and follow the further guidance of the [Public Health Office \(contacttracing@colorado.edu\)](mailto:contacttracing@colorado.edu).
- If you have to miss classes/assignments/exams due to illness or quarantine inform me by email before this occurs. Most cases will be handled according to the policies described above in this syllabus. All other cases will be handled individually.
- Accommodation for Disabilities
 - If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the [Disability Services website](#). Contact Disability Services at 303-492-8671 or dsinfo@colorado.edu for further assistance. If you have a temporary medical condition, see [Temporary Medical Conditions](#) on the Disability Services website.
 - Submit your letter during the first two weeks of classes. If the accommodation letter becomes available later in the semester, please inform me immediately such that I have time to make proper accommodations.
- Preferred Student Names and Pronouns
 - CU Boulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.
- Academic Integrity: <http://www.colorado.edu/policies/academic-integrity-policy>. Academic dishonesty will not be tolerated in this class. Any act of cheating, plagiarism and other forms

of academic dishonesty will result in 0 for the corresponding assignment/test, final grade of F for the class, and forwarding of the case to the Honor Code committee.

- Honor Code
 - All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the Honor Code academic integrity policy. Violations of the Honor Code may include, but are not limited to: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, submitting the same or similar work in more than one course without permission from all course instructors involved, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code (honor@colorado.edu; 303-492-5550). Students found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code as well as academic sanctions from the faculty member. Additional information regarding the Honor Code academic integrity policy can be found on the Honor Code website.
- Examination: <http://www.colorado.edu/policies/final-examination-policy>
- Religious Holidays. Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. See the campus policy regarding religious observances for full details: <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.
- Sexual misconduct, Discrimination, Harassment and/or related retaliation.
 - The University of Colorado Boulder (CU Boulder) is committed to maintaining a positive learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct, discrimination, harassment or related retaliation against or by any employee or student. CU's Sexual Misconduct Policy prohibits sexual assault, sexual exploitation, sexual harassment, intimate partner abuse (dating or domestic violence), stalking or related retaliation. CU Boulder's Discrimination and Harassment Policy prohibits discrimination, harassment or related retaliation based on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Individuals who believe they have been subject to misconduct under either policy should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127. Information about the OIEC, the above refer-

enced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the OIEC website.

In addition, the following policies govern FAQs. Please read carefully before contacting me.

- Missed clicker questions due to absence:
 - I will discard 8 clicker questions with the lowest scores. These include missed questions due to absence. There will be no other way to make up for missed points.
- Missed homework:
 - There will be deadlines (announced in advance in class) for submitting homework assignments. If you miss an assignment due to a medical reason the weight of this homework will be shifted to the remaining ones. However, you must inform me in advance before the deadline. There will be no make-up assignments.
- Missed midterm:
 - If you miss one of the midterms, the score for this test will be automatically dropped. However, if you miss both midterms due to a medical reason (you must inform me prior to each midterm), the weight of the midterm will be shifted to the final exam. There will be no make up exams or extra-credit assignments.