

# Syllabus for ECO344-800, International Trade, Spring 2017

**Prerequisite** courses include Principles of Microeconomics (ECO101) and Macroeconomics (ECO200).

**Instructor:** Mihai Paraschiv

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**Lecture Times/Location:** MWF from 1:50PM to 2:45PM/Mahar Hall, Room 309

**Office:** Mahar Hall, Room 445

**Office Hours:** Monday from 4:00-5:00PM, and Wednesday and Friday from 9:10-10:10AM

**Course Website:** Blackboard Section of ECO344-800

## Course Objectives

The first part of the course represents an inquiry into the theoretical foundations of international trade. This is outlined by analyses of key questions such as why countries trade, what explains the pattern of trade observed to occur among nations, and what are the effects of trade on welfare and the distribution of income. The second part of the course focuses on issues which concern both the positive and normative aspects of trade policies such as tariffs, quotas, and export subsidies. The third part of the course is directed towards the inner-workings of trade blocs and the World Trade Organization as well as towards issues that concern the relationship between trade and the environment and/or economic growth. The third section also discusses the potential costs and benefits generated by international factor movements such as multinational activity and immigration. Students successfully completing this course should leave with a solid understanding of (i) the forces that govern and shape international trade patterns, (ii) the potential costs and benefits brought about by various international trade policies, and (iii) the connection between trade and the environment, economic growth, and international factor movements (i.e., multinational activity and immigration).

## Textbook and Course Materials

- The textbook for this course is International Economics by Thomas Pugel (latest edition is the 16<sup>th</sup>). Any of the last 2 editions would do.
- Articles from newspapers and magazines will be assigned and discussed throughout the semester. You will find that the outside articles will help you immensely in understanding the real-world applications of the economic tools and concepts presented in class. If you miss a lecture, the handouts used during class may be found on the Blackboard Website.

## Course Outline (Note: *The dates provided are tentative and subject to change!*)

- Jan 23-Feb 17 International Trade: Theory (Chapters 2-6)
- Feb 20 Exam 1
- Feb 22-Mar 8 International Trade: Policy (Chapters 8-10)
- Mar 10 Exam 2
- Mar 20-Mar 31 International Trade: Topics (Chapters 11 and 12)
- Apr 3 Exam 3
- Apr 7-Apr 18 International Trade: Topics (Chapters 13-15)
- May 8 Final Exam

**Chapter 2** covers the basics of international trade in a supply-demand framework. **Chapter 3** focuses on the concept of comparative advantage, the pattern of international trade, and the gains from trade. **Chapters 4 and 5** introduce the Heckscher-Ohlin theoretical framework and reassess the pattern of international trade as well as the gains from trade. **Chapter 6** brings forward the new international trade theory and discusses its implications on the pattern and gains from cross-border trade. **Chapters 8 and 9** analyze the costs and benefits of various trade-restricting policies (e.g., tariffs and quotas) within a perfectly competitive framework. **Chapter 10** discusses arguments for and against protection. **Chapter 11** analyzes the costs and benefits of trade-promoting policies (e.g., export subsidies and dumping). **Chapter 12** provides an overview on the inner-workings of the World Trade Organization (WTO) and discusses the economics of trade blocs. Finally, **chapters 13, 14 and 15** focus on topics concerning the relationship between trade and the environment, economic growth, as well as multinationals and immigration.

### Evaluation Criteria

Your final grade for the course is based on the following distribution: **A: 95%-100%**, A-: 90%-95%, B+: 87%-90%, **B: 83%-87%**, B-: 80%-83%, C+: 77%-80%, **C: 73%-77%**, C-: 70%-73%, D+: 67%-70%, **D: 63%-67%**, D-: 60%-63%, **E: 60%** and below. Grading for this course will be based upon problem sets, three midterm evaluations, and a final exam.

Task	% of Course Grade
Problem Sets	17.5%
Case Study Group Assignment	7.5%
Exam I	16%
Exam II	16%
Exam III	16%
Final Exam	27%
Total	100%

### Problem Sets

There will be approximately 8 homework assignments. I collect these at the beginning of class, so if you are unable to attend just email me your homework **before** the beginning

of class. Your email must be properly signed and the attached homework must be in .pdf format. **Late homework will not be accepted.**

## Case Study Group Assignment

Details of the case study group assignment (CSGA) will be discussed in class. A set of instructions on how to write and submit the assignment will also be posted on Blackboard. The CSGA will take the form of an in-class group presentation. Each group (consisting of four students) will prepare a 15 minute presentation on one of the topics listed below. You will have ample time between the CSGA discussion date and the due date to consider a topic, ask questions, and complete the CSGA. I expect each group member to become accustomed with the instructions. Points will be deducted if these are not followed. The presentations are scheduled for the last three class periods. A presentation draft is required two weeks prior to the presentation date. **Late assignments will not be accepted.**

Each student's CSGA grade is based on four components:

1. The peer grade (20%). This is included in order to prevent free-riding and it is calculated as the average of the grades assigned by other group members.
2. Individual presentation grade (30%). This reflects the student's mastery of the topic presented. One question from the audience and/or from myself will also be used to assess the topic mastery.
3. Group presentation grade (10%). This reflects the group's overall performance in presenting the topic. Some aspects counted here include whether the presentation occupies the entire allotted time slot, follows an organized and logical pattern, benefits from the input of all members, and conveys group mastery with regards to the topic.
4. Group project grade (40%). This reflects the overall quality of the assembled slides. Some aspects counted here include whether the slides contain a presentation outline, a properly written bibliography, a discussion regarding the policy/international organization analyzed, a discussion regarding the international context in which the policy/international organization was adopted/founded, a discussion regarding the intended and unintended consequences brought about by the policy/international organization adoption/foundation. The reference and use of class concepts (e.g., supply-demand framework) as well as the use of data series and graphs to describe the topic and support your arguments are highly encouraged. 5 %-points of this grade component are allocated for the correct submission of a presentation draft.

Case Study Topics:

- CS01: The E.U.-U.S. World Trade Organization (WTO) banana dispute.
- CS02: The Brazil-U.S. cotton subsidies dispute.
- CS03: The Mexican Hass avocado case.
- CS04: The Argentinian citrus fruits case.

- CS05: The Russian embargo (1980).
- CS06: The U.S. soybean export embargo (1974).
- CS07: The U.S. sugar import quota program.
- CS08: The world beef market (the U.S. beef exports).
- CS09: The E.U. beef hormone band case
- CS10: The World Trade Organization.
- CS11: Green, blue, and amber boxes.
- CS12: Agriculture and the WTO.
- CS13: The N.A.F.T.A., the E.U., and the U.N.A.S.U.R.
- CS14: Predatory, cyclical, seasonal, sporadic, and persistent dumping.
- CS15: The world honey market.
- CS16: The Harley-Davidson case.
- CS17: G.A.T.T., the U.S. versus Mexico tuna/dolphin case.
- CS18: The E.U. sugar subsidies case.
- CS19: The 2002 U.S. steel tariffs case.
- CS20: The E.U.-China/Vietnam shoes case.
- CS21: The Multifibre Agreement (MFA)

## Exams

There will be three midterms and one final exam. I should be able to provide you with practice versions as well as answer keys. The **tentative** dates for each exam are shown above in the syllabus. If you need to reschedule the final exam because of a conflict, university regulations require that you submit your request in writing to me two weeks before the date of the final exam. Anyone feeling that a dispute exists in terms of grading an exam, may submit a written grievance. **The grievance should identify the item in dispute and provide arguments supporting the student's position.** Grievances must be submitted no later than two class periods following the return of the exam. **Note: the exam needs to be attached to the grievance and is subject to full recheck.**

## Makeup Exams

Makeup exams are given only for excused absences or if the student has obtained the instructor's prior approval. If you miss an exam with an unexcused absence you will receive a zero for the exam. The University defines the following as excused absences: illness of the student or serious illness of a member of the student's immediate family; death of a member of the student's immediate family; University sponsored trips; or major religious holidays. In each foreseen case, written verification will be required at least one week before the scheduled exam and permission to miss an exam must be secured before the scheduled exam time unless the cause of the absence is unforeseen. **IF YOU MISS AN EXAM FOR AN UNFORESEEN REASON YOU SHOULD CONTACT ME AS SOON AS YOU CAN.** The makeup exam will be held at one time during the week following the regularly

scheduled exam time. While the difficulty level will remain unchanged, the questions on the makeup exam will differ from those included within the previously administered version.

### **Policy on Academic Accommodations Due to Disability**

If you have a documented disability that requires academic accommodations, please see me as soon as possible during the scheduled office hours. In order to receive accommodations in this course you must provide me with a notice from the Disability Support Services (DSS). The DSS is located at 155 Marano Campus Center. Their telephone and email address are (315) 312-3358 and [dss@oswego.edu](mailto:dss@oswego.edu), respectively. The DSS Coordinator and the Assistant Coordinator are Dr. Starr Wheeler and Patrick Devendorf.

### **Cheating**

Cheating is in no way tolerated at the State University of New York. Anyone caught cheating will be penalized severely. The full penalty will be determined in consultation with the Chairman of the Department of Economics. The minimum penalty is an "E" for the course. I require two stipulations to reduce the potential for cheating. You may not use a calculator during exams unless notified otherwise. Additionally, if you are found to use any electronic device during an exam you will automatically receive a zero for that exam. See the full policy on intellectual integrity at <http://www.oswego.edu/integrity>.

### **Course Expectations**

- **Being Prepared:** Students are expected to read the assigned material prior to class and participate in class discussion and activities. Don't be afraid to participate because of the size of the class and if you have a question never let it go unanswered. If you do not get an opportunity to ask your question during class, stop by during my office hours or feel free to contact me via electronic mail. Being prepared also means going through the notes from previous class periods before coming to the next. If you look at the new material at least once within forty-eight hours of first seeing it, you will be able to learn the material more thoroughly and studying for the exam will be much easier.
- **Being in Class:** Consistent attendance is essential for acceptable performance in the course. Many students find international economics concepts difficult to grasp. Missing class will only make the process of absorbing this material more difficult. I will also present material in class that may not be found in the text. If you find yourself falling behind or you are having problems with the material, I encourage you to come to me for assistance. My posted office hours list the times during which you are guaranteed to find me in my office. However, if you have a conflict, you may arrange a meeting time outside office hours.
- **Being Courteous:**

- If you do plan to attend class, be on time and please do not leave until class is dismissed. If you have a long walk to get to this class from another, let me know in advance. If you need to step outside, please leave and return to the classroom as quietly as possible.
- Please avoid carrying on private conversations during class. This behavior shows disrespect for your classmates who would like to hear the lecture and it can have a negative impact on the learning experience of the entire class.
- Please turn on silent any cell phones and other electronic devices. It is also distracting if you text message during class. Please put off texting until the end of class.
- You may use laptops only for purposes of note-taking. However, these (and other electronic devices) will not be allowed during the last three class periods when group case studies will be presented.

## **Blackboard**

All class related materials (announcements, handouts, lecture slides, homework assignments, practice exams, answer keys, etc.) will be posted on Blackboard. It is essential that you check this resource regularly for updates. If you miss class, this is the first place to go to determine what you have missed and what you need to do to bring yourself "up-to-date".

## Tentative Semester Calendar

Monday	Wednesday	Friday
01/23 Ch. 2	01/25 Ch. 2	01/27 Ch. 3, Quiz #1 (Info Sheet) Due
01/30 Ch. 3	02/01 Ch. 4	02/03 Ch. 4
02/06 Ch. 4	02/08 Ch. 5	02/10 Ch. 5
02/13 Ch. 5	02/15 Ch. 6	02/17 Ch. 6
02/20 Exam 1	02/22 Ch. 8	02/24 Ch. 8
02/27 Ch. 8	03/01 Ch. 9	03/03 Ch. 9
03/06 Ch. 10	03/08 Ch. 10	03/10 Exam 2
03/13 Spring Break	03/15 Spring Break	03/17 Spring Break
03/20 Ch. 11	03/22 Ch. 11	03/24 Ch. 11
03/27 Ch. 12	03/29 Ch. 12	03/31 Ch. 12
04/03 Exam 3	04/05 Quest Break	04/07 Ch. 13
04/10 Ch. 13	04/12 Ch. 13	04/14 Good Friday Break
04/17 Ch. 13	04/19 Ch. 15	04/21 Ch. 15
04/24 Ch. 15	04/26 Ch. 14	04/28 Ch. 14
05/01 CS Pres.	05/03 CS Pres.	05/05 CS Pres.

**The FINAL EXAM will be held Monday, May 8 from 2:00PM to 4:00PM in Mahar Hall Room 309\***

\*All exams will be held in 309 Mahar Hall unless otherwise notified.