

# ECONOMICS 2390C: INTERNATIONAL TRADE

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## COURSE INFORMATION

### Course Website:

The course website is on MyLearningSpace at <https://mylearningspace.wlu.ca/>

### Course Description:

This course is an introduction to the theory of international trade. In this course, we will study why countries trade with each other, factors that determine the pattern of trade, effects of international trade on income distribution and how government intervene to regulate trade flows across countries. The course is organized in two modules. The first module will focus on the theories explaining the patterns of international trade and their empirical relevance. The second module will focus on trade policies, their rationale and economic consequences. The second module will also cover the use of trade policy in developing countries and some recent controversies surrounding trade policy.

### Course Objectives and Learning Outcomes:

By the end of the course, the students should be able to

- apply economic theory to explain why countries engage in international trade.
- analyze the distributional implications of international trade within and across countries.
- apply economic theory to explain why countries decide to restrict trade between themselves.
- assess the economic effects of protectionist trade policies using microeconomic analysis.
- relate economic theory to the popular controversies surrounding international trade.

**Course Prerequisites:** EC120 and EC140.

### Course Structure

The course is structured in 12 weekly lessons, grouped within two modules. . The sequence of lessons broadly follows the sequence of chapters in the course textbook.

## COURSE TOOLS AND LEARNING MATERIALS

### Textbook

Paul R. Krugman, Maurice Obstfeld, Marc J. Melitz, International Economics: Theory and Policy, Tenth Edition, Pearson Education Inc. (2015). The study guide accompanying this textbook is recommended.

### Software

Microsoft Excel or any other spreadsheet program

### Lesson Notes

Lesson notes for each of the twelve weeks in the course are available on the course website.

## SCHEDULE OF LESSONS

### Module I: International Trade Theory

Lesson	Week	Lesson Title	Text Reading
1	Week 1	Introduction	Chapter 1.
2	Week 2	World Trade: An Overview	Chapter 2.
3	Week 3	Labor Productivity and Comparative Advantage: The Ricardian Model	Chapter 3.
4	Week 4	Specific factors and Income Distribution	Chapter 4.
5	Week 5	Resources and Trade: The Heckscher Ohlin Model	Chapter 5.
6	Week 6	External Economies of Scale and the International Location of Production	Chapter 7.
7	Week 7	Firms in the Global Economy: Export Decisions, Outsourcing and Multinational Enterprises	Chapter 8.

### Module II: International Trade Policy

8	Week 8	The Instruments of Trade Policy	Chapter 9.
9	Week 9	The Political Economy of Trade Policy	Chapter 10 (p 236 - 251)
10	Week 10	International Negotiations and Trade Policy	Chapter 10 (p 252 - 266)
11	Week 11	Trade Policy in Developing Countries	Chapter 11.
12	Week 12	Controversies in Trade Policy	Chapter 12.

## STUDENT EVALUATION

Final course grades will be assigned on the basis of performance on the individual assessments shown in the table below.

ASSESSMENT	DUE DATE/TIME	COVERAGE	WEIGHTING
Assignment 1 (Available on Day 1 of week 3 at 9 am)	Due on Day 5 of week 4 at 11:59pm	Lessons 1-2	10%
Online Discussion 1	The discussion will be available from 7:00 am of Day 1 in week 5 to 11:59 pm of Day 6 in week 5	Lessons 3,4	5%
Assignment 2 (Available on Day 1 of week 8 at 9 am)	Due on Day 5 of week 8 at 11:59pm	Lessons 5,6 & 7	10%
Mid-term exam (proctored)	Week 9	Lessons 3,4,5,6,7 & 8	30%
Online Discussion 2	The discussion will be available from 7:00 am of Day 1 in week 11 to 11:59 pm of Day 6 in week 11	Lessons 8,9 & 10	5%
Final Exam (proctored)	During University Final Exam period	All Modules/Lessons	40%

**Assignments:** There are two graded assignments in the course which will be posted on the course website by the date specified on the course schedule. The assignments must be submitted by the due date; late assignments are subject to penalty (specified on the course website). Assignments must be submitted to the MLS dropbox as a single document in Word or PDF format.

**Online Discussions:** The students are required to participate in two group discussions in this course. The group discussions will take place during Week 5 and Week 11. The purpose of these discussions is to give students an opportunity to analyze and discuss a topic in the context of international trade in the real-world with their peers. It is important that you read all the specific instructions regarding how to participate in the group discussions and the deadlines for posting your initial response and to a group member's post on the course website.

**Mid-term Exam:** There will be a proctored mid-term examination in the course which will take place during Week 9. The exact date will be set by the Centre for Online Learning. The exam will have duration of 2 hours and will contain a mixture of multiple choice and short-answer question. Further information about the mid-term exam will be posted on the course website as it becomes available.

**Final Exam:** The final exam will be written during the final exam period scheduled by the registrar's office. The final exam is cumulative and consists of both multiple choice questions and short-answer questions.

### **Course Policies**

#### **Policy on Late Assignments:**

Late Assignments will be penalized at 10% per day, with the exception of documented medical illness. Assignment Dropboxes will close one week after the due date i.e. assignments more than 7 days late will not be accepted.

#### **Mid-term Exam Policy:**

There is NO make-up mid-term exam in EC2390C. If a student misses the scheduled mid-term because of illness, Verification of Illness Form must be submitted as provided by the Centre for Online Learning at [https://www.wlu.ca/forms/1736/Verification\\_of\\_Illness\\_Form.pdf](https://www.wlu.ca/forms/1736/Verification_of_Illness_Form.pdf).

For students who miss the midterm exam and have valid documentation, the weight of that midterm will be shifted to the final exam such that the final exam is worth 70% of the final grade. There will be no makeup tests.

#### **Final Exam Policy:**

Students who are unable to write the scheduled final exam for valid cause supported by appropriate documentation must submit a petition along with supporting documentation to Ms. Lee Leeman, SBE Petitions Co-ordinator.

### **University Policies**

#### **Academic Integrity:**

Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.

You are reminded that the University will levy sanctions on students who are found to have committed, or have attempted to commit, acts of academic or research misconduct. You are expected to know what constitutes an academic offense, to avoid committing such offenses, and to take responsibility for your academic actions. For information on categories of offenses and types of penalty, please consult the relevant section of the Undergraduate Academic

Calendar. If you need clarification of aspects of University policy on Academic and Research Misconduct, please consult your instructor.

**Accessible Learning:**

Students with disabilities or special needs are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.