

ECO 3704: International Trade

Syllabus

Instructor: Gunnar Heins

Email: gheins@ufl.edu

Office Hours: Wednesdays, 9:30-12 in MAT 320

Class Meeting Times: Mondays & Wednesdays, 7th/8th period (1:55 - 3:50)

Room: MAT 103

TA: Valeria Palacios (valeriapalacios@ufl.edu)

TA Office Hours: TBD

Course Description

This course is an introduction to international trade on the undergraduate level. We will talk about why countries trade goods and services with each other, why some firms produce in foreign countries and some don't, how globalization affects prices and wages, and how trade policy can affect who gains and who loses from trade. The first part will cover key facts in the data, e.g. the main trade partners of the U.S. or how trade with China and Mexico has evolved over time. Given these facts you will become familiar with the most successful theories on why countries trade with each other, source out part of their production, or why people and capital move between countries. Finally, we will discuss common policy instruments that countries use to affect global trade, such as tariffs and import restrictions, and study how they affect prices, welfare, and inequality.

Prerequisites

In order to take this course you need to have completed both *Principles* courses (ECO 2013 and ECO 2023) or equivalent. Having completed *Intermediate Microeconomics* (ECO 3101) is not required but would certainly be helpful as some concepts built on the material of that course. Please contact me if you are interested in taking this course but are unsure if you have the appropriate background.

Course Material and Textbook

The course largely follows the book

Feenstra, Robert, and Alan Taylor: "International Trade"; Worth Publishers, 4th edition, ISBN-13: 978-1319061739, ISBN-10: 1319061737.

The previous edition is fine as well, since there haven't been too many changes compared to the 4th edition:

Feenstra, Robert, and Alan Taylor: "International Trade"; Worth Publishers, 3rd edition, ISBN-13: 978-1429278447, ISBN-10: 1429278447.

All additional course material (for example homeworks, solutions, and grades) will be posted on Canvas (elearning.ufl.edu).

Exams, Homework, and Grading

The final grade will consist of three parts: Exams, homeworks and participation. There will be 3 exams in total, 2 midterms and a final exam, which together account for 80 % of your final grade (22.5 % each midterm and 35 % the final). The Final Exam takes place on May 4 at 3pm. If you cannot attend one of the exams, or if you need special accommodation, please let me know as early as possible.

There will also be 8 homeworks during the semester which account for 15 % of your final grade. Only the best 7 out of 8 homeworks count towards your final grade. Feel free to work in groups, but each one of you has to submit an individual solution. Homework solutions will be posted on Canvas after they are due. Finally, 5 % of the overall grade will be based on participation, in-class discussions, and attendance:

Problem Sets	15 %
Midterm 1	22.5 %
Midterm 2	22.5 %
Final	35 %
Participation	5 %
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Total	100 %

If you have questions about the material or homeworks, feel free to come to the office hours or send an email to me or the TA. Regarding homeworks, please contact primarily the TA, as she will also be the one grading those. If you need to talk to me outside of office hours, please let me know by email first.

Grading will be according to the following scheme:

Percent	Grade
94.00% - 100%	A
90.00% - 93.99%	A-
87.00% - 89.99%	B+
81.00% - 86.99%	B
79.00% - 80.99%	B-
77.00% - 78.99%	C+
71.00% - 76.99%	C
69.00% - 70.99%	C-
67.00% - 68.99%	D+
61.00% - 66.99%	D
59.00% - 60.99%	D-
0% - 58.99%	E

Tentative Course Schedule

#	Date	Topic
1	M, Jan 9	Course Introduction, 1.Trade in the Global Economy
2	W, Jan 11	1. Trade in the Global Economy
3	W, Jan 18	2. Trade and Technology: The Ricardian Model
4	M, Jan 23	2. Trade and Technology: The Ricardian Model (HW 1 due)
5	W, Jan 25	3. Gains and Losses from Trade
6	M, Jan 30	3. Gains and Losses from Trade
7	W, Feb 1	4. Trade and Resources: The Heckscher-Ohlin Model (HW 2 due)
8	M, Feb 6	4. Trade and Resources: The Heckscher-Ohlin Model
9	W, Feb 8	4. Trade and Resources: The Heckscher-Ohlin Model
10	M, Feb 13	Review (HW 3 due)
11	W, Feb 15	Midterm 1
12	M, Feb 20	5. Movement of Capital and Labor
13	W, Feb 22	5. Movement of Capital and Labor
14	M, Feb 27	6. Monopolistic Competition (HW4 due)
15	W, Mar 1	6. Monopolistic Competition
16	M, Mar 6	7. Offshoring (HW5 due)
17	W, Mar 8	7. Offshoring
-	Mar 13	No class (Spring Break)
-	Mar 15	No class (Spring Break)
18	M, Mar 20	8. Tariffs/Quotas under perfect Competition
19	W, Mar 22	8. Tariffs/Quotas under perfect Competition
20	M, Mar 27	Review (HW6 due)
21	W, Mar 29	Midterm 2
22	M, Apr 3	9. Tariffs/Quotas under imperfect Competition
23	W, Apr 5	9. Tariffs/Quotas under imperfect Competition
24	M, Apr 10	10. Export Subsidies (HW7 due)
25	W, Apr 12	10. Export Subsidies
26	M, Apr 17	11. International Agreements
27	W, Apr 19	11. International Agreements
28	M, Apr 24	11. International Agreements (HW8 due)
29	W, Apr 26	Review
	May 4	Final Exam (at 3pm)