

# ECO 3704: International Trade

## Syllabus

**Instructor:** Gunnar Heins

**Email:** gheins@ufl.edu

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

**Class Meeting Times:** Tuesdays & Thursdays, 7th/8th period (1:55 - 3:50)

**Room:** MAT 103

**TA:** Sydney Engle (patriciasydney@ufl.edu)

**TA Office Hours:** TBA

## 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 75 % of your final grade (20 % each midterm and 35 % the final). The Final is on April 21. 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 20 % 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	20 %
Midterm 1	20 %
Midterm 2	20 %
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
93% - 100%	A
89% - 92%	A-
87% - 88%	B+
81% - 86%	B
79% - 80%	B-
77% - 78%	C+
71% - 76%	C
69% - 70%	C-
67% - 68%	D+
61% - 66%	D
59% - 60%	D-
0% - 58%	E

## Tentative Course Schedule

#	Date	Topic
1	T, Jan 7	Course Introduction, 1.Trade in the Global Economy
2	R, Jan 9	1. Trade in the Global Economy
3	T, Jan 14	2. Trade and Technology: The Ricardian Model
4	R, Jan 16	2. Trade and Technology: The Ricardian Model (HW 1 due)
5	T, Jan 21	2. Trade and Technology: The Ricardian Model
6	R, Jan 23	3. Gains and Losses from Trade
7	T, Jan 28	3. Gains and Losses from Trade (HW 2 due)
8	R, Jan 30	4. Trade and Resources: The Heckscher-Ohlin Model
9	T, Feb 4	4. Trade and Resources: The Heckscher-Ohlin Model
10	R, Feb 6	Review (HW 3 due)
11	T, Feb 11	<b>Midterm 1</b>
12	R, Feb 13	5. Movement of Capital and Labor
13	T, Feb 18	5. Movement of Capital and Labor
14	R, Feb 20	6. Monopolistic Competition
15	T, Feb 25	6. Monopolistic Competition (HW4 due)
16	R, Feb 27	7. Offshoring
-	Mar 5	No class (Spring Break)
-	Mar 7	No class (Spring Break)
17	T, Mar 10	7. Offshoring
18	R, Mar 12	8. Tariffs/Quotas under perfect Competition (HW5 due)
19	T, Mar 17	8. Tariffs/Quotas under perfect Competition
20	R, Mar 19	Review (HW6 due)
21	T, Mar 24	<b>Midterm 2</b>
22	R, Mar 26	9. Tariffs/Quotas under imperfect Competition
23	T, Mar 31	9. Tariffs/Quotas under imperfect Competition
24	R, Apr 2	10. Export Subsidies (HW7 due)
25	T, Apr 7	10. Export Subsidies
26	R, Apr 9	11. International Agreements
27	T, Apr 14	11. International Agreements (HW8 due)
28	R, Apr 16	Review
	April 21	<b>Final Exam (same room &amp; time as the lecture)</b>