UNIVERSITY OF FLORIDA
DEPARTMENT OF ECONOMICS
ECONOMICS 3704
International Trade

Fall 2022

Instructor:	Elias Dinopoulos
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Office Hours:	Tuesday, from 1:40 pm until 3:00 pm, also by appointment.
Zoom Address:	https://ufl.zoom.us/j/6170314670

SYLLABUS

Course Description: This course provides a general overview of theory, policy and institutions of international trade. We will analyze the causes of international trade and globalization; gains and losses from trade; the effects of trade on income distribution; international migration; the economics of tariffs, quotas, and export subsidies; trade policies for advanced and developing countries; the economics of NAFTA and the WTO. Time permitting, we will also cover current events including the global impact of COVID-19, recent international migration flows, and the 2018 global tariff war, and the Russia-Ukraine war..

Learning objectives:
- Understand how decisions are made by households and firms in the context of international competition and general-equilibrium interactions.
- Understand how economists use statistics to analyze the implications of various theories.
- Critically evaluate and compare alternative economic policies using complex criteria including cost-benefit analysis.
- Understand and communicate theoretical and empirical economic concepts.

Canvas Website contains the written information about the class including the syllabus, class announcements, PowerPoint lecture notes, homework questions, and exams.

Prerequisites: The emphasis of the course will be on the conceptual framework of international economic transactions and relations. A fair amount of time will be spent on developing the necessary analytical tools to address current international-trade issues. There will be extensive use of graphical analysis and algebra; occasionally, maximization techniques based on simple derivatives will be employed. You must have taken introductory microeconomics and introductory macroeconomics (ECO 2013 and ECO 2023) to take the course.

Textbook: Feenstra Robert, C. and Alan M. Taylor, *International Trade*, Fifth Edition 2021, Worth Publishers. Designated as *Feenstra and Taylor* below and required.

Lecture Notes: Most of the material will be presented in class using the white board. PowerPoint lecture notes will be used to discuss empirical applications and current events. These PowerPoint slides are

available in Canvas (files section, "PowerPoint Lectures" file).

Grading: Grading is based on your performance on three noncumulative exams and three graded homework assignments.

Exams: Each exam consists of 25 multiple-choice questions (MCQs) with each correct answer counting 4 points resulting in a maximum number of 100 points. Presence at each exam is required unless there are extraordinary circumstances (e.g., you are in the hospital) or you make advanced arrangements based on university rules to take the exam at a different time and date. Each exam will be taken through **Canvas** and in class. It is a closed-notes, no smart phone, and closed-book exam. As a basic rule, if **any** type of external cable can be connected to your calculator, its use is not allowed. You will have 80 minutes to complete each exam. You can bring two sheets of plank paper for possible calculations. **Exam 1** will cover the material covered in module 1; **Exam 2** will cover the material covered in module 2; **Exam 3** will cover the material in module 3 (See Course Outline below for more details).

Homework Assignments: There are three graded homework assignments which can be found on the class **Canvas Website** under the **quizzes** section. Each homework consists of 50 multiple choice questions with each correct answer counting for 0.2 points resulting in a maximum of 10 points each. Five attempts are permitted with Canvas keeping the highest score of all submitted attempts for each homework. After each submitted attempt each MCQ with an incorrect answer is marked, so everyone should score 100% on these homework assignments. Each homework is based on the same material as the corresponding exam and provides practice MCQ similar to those of each corresponding exam.

Your grade for the course will be determined by the total points on the three exams and the three homework assignments. **Minimum** cutoff points for each grade are given by the following table.

GRADE	HM1	EXAM1	HM2	EXAM2	HM3	EXAM3	TOTAL	%
A	9.3	93.0	9.3	93.0	9.3	93.0	306.9	93.0
A-	9.0	90.0	9.0	90.0	9.0	90.0	297.0	90.0
B+	8.5	85.0	8.5	85.0	8.5	85.0	280.5	85.0
B	8.0	80.0	8.0	80.0	8.0	80.0	264.0	80.0
B-	7.5	75.0	7.5	75.0	7.5	75.0	247.5	75.0
C+	7.0	70.0	7.0	70.0	7.0	70.0	231.0	70.0
C	6.5	65.0	6.5	65.0	6.5	65.0	214.5	65.0
C-	6.0	60.0	6.0	60.0	6.0	60.0	198.0	60.0
D+	5.7	57.0	5.7	57.0	5.7	57.0	188.1	57.0
D	5.4	54.0	5.4	54.0	5.4	54.0	178.2	54.0
D-	5.1	51.0	5.1	51.0	5.1	51.0	168.3	51.0

This table is set is stone. There will be no extra-credit work, outside papers, extra reading, etc. If you miss the next highest grade by a fraction of a percent, you will definitely receive my sympathy-but I will not change your grade!

Exam Dates: As stated, each 80-minute exam will be taken through Canvas. All exams will be taken **in class** on the following dates:

EXAM 1: Wednesday, October 5.
EXAM 2: Wednesday, November 2.
EXAM 3: Wednesday, December 7.

Homework Assignment Deadlines:

HM1: Tuesday, October 4, 8:00 pm.
HM2: Tuesday, November 1, 8:00 pm.
HM3: Tuesday, December 6, 8:00 pm.

Review Sessions: These review sessions are designed to address student questions regarding each exam. Each review session will take place in class on the **Monday** prior to each exam date.

Students with Disabilities: Students requesting classroom accommodations must first register with the DRC and send me the necessary documentation (letter of accommodations) via email.

Class Attendance: Attendance is highly recommended but will not be checked. Exams are based on the material covered in class, which may or may not covered in the text. If you do not come to class, you are still responsible for what was covered. If you do come to class, I expect you to behave professionally by arriving on time, turning off cell phones, and refraining from texting during class.

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COURSE OUTLINE

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1. **Module 1**

   Feenstra and Taylor, Chapter 1, "Trade in the Global Economy".
   Feenstra and Taylor, Chapter 2, "Trade and Technology: The Ricardian Model".
   Feenstra and Taylor, Chapter 3, "Gains and Losses from Trade in the Specific-Factors Model".

2. **Module 2**

   Feenstra and Taylor, Chapter 6, "Increasing Returns to Scale and Imperfect Competition".
   Feenstra and Taylor, Chapter 8, "Import Tariffs and Quotas under Perfect Competition".

3. **Module 3**

   Feenstra and Taylor, Chapter 9, "Import Tariffs and Quotas under Imperfect Competition".
   Feenstra and Taylor, Chapter 10, "Export Subsidies in Agriculture and High-Technology Industries".

4. **Module 4** (This material will be covered in class if there is enough time.)

   Feenstra and Taylor, Chapter 11, "International Agreements: Trade, Labor and the Environment"
   Amiti Mary, Stephen Redding, and David Weinstein (2019), "The Impact of 2018 Tariffs on Prices and Welfare" *Journal of Economic Perspectives* 33, 4, Fall 2019, pp. 187-210.
   Mariotti, Sergio, "A Warning form the Russian-Ukrainian War: Avoiding a Future that Rhymes with the Past", *Journal of Industrial and Business Economics,* July 2022.

Active Learning and Student Feedback: Students are strongly encouraged to engage in active (as opposed to passive) learning in this class. By attending each class meeting, students can participate in class

discussions, ask questions on the material presented, and share their opinions with other students. Class discussion of current events (such as Brexit, the UK-Japan trade agreement, the US-China global trade war, European immigration crisis, the Russian-Ukrainian war) allows students to apply class-developed insights to real world issues and thus enhances student learning experience.