

**UNIVERSITY OF FLORIDA**  
**DEPARTMENT OF ECONOMICS**  
**ECONOMICS 3704**  
***International Trade***

***Fall 2019***

***Instructor:*** Elias Dinopoulos  
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***Office Hours:*** Tuesday 1:40 p.m. – 2:50 p.m., also by appointment

**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; foreign outsourcing; the economics of tariffs, quotas, and export subsidies; trade policies for advanced and developing countries; multilateral and regional trade arrangements; and global environmental issues.

***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 derivatives will be utilized. 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*, Third Edition 2014, Worth Publishers. Designated as *Feenstra and Taylor* below and required.

***Lecture Notes:*** PowerPoint lecture notes are available in Canvas. You can also purchase a course package with the same PowerPoint lecture notes from Target Copy.

***Grades:*** There will three exams with each exam counting for one third towards the course grade. The following distribution will be used to translate numerical scores into letter grades.

### Grade Distribution

Score Range	Letter Grade
93.00 or higher	A
89.00 - 92.99	A-
85.00 - 88.99	B+
80.00 - 84.99	B
75.00 - 79.99	B-
70.00 - 74.99	C+
65.00 - 69.99	C
60.00 - 64.99	C-
55.00 - 59.99	D+
50.00 - 54.99	D
45.00 - 49.99	D-
0.00 - 44.99	E

**Extra Credit:** Students can improve their grade through attendance-based extra-credit assignments. During each lecture, I will post one multiple-choice question based on the material covered in the lecture. Students who answer the question correctly will receive one extra credit. The following formula will be used to incorporate the extra-credit point in the final grade: Final class score = (total points received in all three exams plus total extra-credit points)/3. For example, a student who receives 79 in test 1, 85 in test 2, 88 in test 3 and 18 extra-credit points will obtain a final class score of  $(79+85+88+18)/3=90$  which corresponds to a letter grade of A-.

**Exam Dates:** All exams will be on evenings from 6:15 pm until 8:15 pm. The exam room will be announced in class. First exam: **Monday, October 7**; Second exam: **Wednesday, November 6**; Third Exam: **Wednesday, December 4**. Exams are closed book, closed notes, no phone use, no computer use. Calculators (no phone calculators though) are allowed.

### COURSE OUTLINE

#### 1. Introduction and Overview

Feenstra and Taylor, Chapter 1, "Trade in the Global Economy".

#### 2. Why Nations Trade

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".

Feenstra and Taylor, Chapter 6, "Increasing Returns to Scale and Imperfect Competition".

#### 3. International Factor Movements and Foreign Outsourcing

Feenstra and Taylor, Chapter 5, "Movement of Labor and Capital between Countries", pages 123-134; pages 144-161.

Dinopoulos Elias, "Immigration Flows in the U.S. and Europe", PowerPoint Slides (available in the class web site).

Feenstra and Taylor, Chapter 7, “Foreign Outsourcing of Goods and Services”.

**4. Gains from Trade and Commercial Policy**

Feenstra and Taylor, Chapter 8, “Import Tariffs and Quotas under Perfect Competition”

Dinopoulos Elias, “The 2018 Global Tariff War”, PowerPoint Slides (available in the class web site)

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”.

**5. Controversies**

Feenstra and Taylor, Chapter 11, “International Agreements: Trade, Labor and the Environment”