

ECO 3704: International Trade

Syllabus

Instructor: Gunnar Heins

Email: gheins@ufl.edu

Office Hours: Thursdays, 10-12 in MAT 320

Class Meeting Times: Mondays & Wednesdays, 5th/6th period (11:45 - 1:40)

TA: Valeria Palacios (valeriapalacios@ufl.edu)

TA Office Hours: Tuesdays, 11:30-1pm in MAT 301A

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, 5th edition

The previous edition is fine as well, since there haven't been too many changes compared to the 5th edition:

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 cumulative final exam, which together account for 88 % of your final grade (26.5 % each midterm and 35 % the final). You can take the final exam either on April 24 or on May 3. 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 12 % 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.

Problem Sets	12 %
Midterm 1	26.5 %
Midterm 2	26.5 %
Final	35 %
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Total	100 %

In-class participation will count as a bonus to your course average. There are four categories:

- +0.5 percentage points: Rare participation
- +1 percentage point: Occasional participation
- +1.5 percentage points: Frequent participation
- +2 percentage points: Outstanding participation

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 8	Course Introduction, 1.Trade in the Global Economy
2	W, Jan 10	1. Trade in the Global Economy
3	W, Jan 17	2. Trade and Technology: The Ricardian Model
4	M, Jan 22	2. Trade and Technology: The Ricardian Model (HW 1 due)
5	W, Jan 24	3. Gains and Losses from Trade
6	M, Jan 29	3. Gains and Losses from Trade
7	W, Jan 31	4. Trade and Resources: The Heckscher-Ohlin Model (HW 2 due)
8	M, Feb 5	4. Trade and Resources: The Heckscher-Ohlin Model
9	W, Feb 7	4. Trade and Resources: The Heckscher-Ohlin Model
10	M, Feb 12	Review (HW 3 due)
11	W, Feb 14	Midterm 1
12	M, Feb 19	5. Movement of Capital and Labor
13	W, Feb 21	5. Movement of Capital and Labor
14	M, Feb 26	6. Monopolistic Competition
15	W, Feb 28	6. Monopolistic Competition (HW4 due)
16	M, Mar 4	7. Offshoring
17	W, Mar 6	7. Offshoring (HW5 due)
-	Mar 11	No class (Spring Break)
-	Mar 13	No class (Spring Break)
18	M, Mar 18	8. Tariffs/Quotas under perfect Competition
19	W, Mar 20	8. Tariffs/Quotas under perfect Competition
20	M, Mar 25	Review (HW6 due)
21	W, Mar 27	Midterm 2
22	M, Apr 1	9. Tariffs/Quotas under imperfect Competition
23	W, Apr 3	9. Tariffs/Quotas under imperfect Competition
24	M, Apr 8	10. Export Subsidies
25	W, Apr 10	10. Export Subsidies (HW7 due)
26	M, Apr 15	11. International Agreements
27	W, Apr 17	11. International Agreements
28	M, Apr 22	Review (HW8 due)
29	W, Apr 24	Final Exam - Date 1
	May 3	Final Exam - Date 2 (at 7:30am)