

University of Minnesota
International Trade 4431W
Summer – 2007

Lecture: 8:00am - 10:00am, M,Tu,W,Th Blegen Hall 225
06/11/2007 – 07/20/2007

First Half

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Office hours: M, Th 10:15-11:15am
and by appointment

Second Half

Instructor: Fabrizio Colonna

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and by appointment

Course Description:

International Trade studies the transfer of goods, services, people, capital, ideas, and technology across national boundaries. Besides affecting all the countries involved, these transfers can have consequences for non-involved nations as well. In this course, attention is paid to all aspects of trade: causes and effects, composition of trade, theories of trade, gains from trade, trade restrictions and regulations, protection, and trade policy.

Prerequisites:

Econ 3101 and 3102, which you should have successfully completed prior to taking this course.

If you have already taken Econ 4431V (International Trade (Honors)) or Econ 4401 (International Economics) you cannot take this class.

Text:

International Economics, 5th ed., by Appleyard, Field and Cobb is the text for this course. I will assume everyone owns a text. The book may be purchased at the University Bookstore in Coffman Union or online.

I suggest that you to review the textbook chapter before the lecture on a given subject. As you read, focus on the major concepts and issues; if anything is unclear, make it a point to ask for clarification in class. This familiarity with the material will make our lectures much more productive and educational for you.

Course Requirements:

There will be 3 homework assignments, 1 midterm, a final and the writing assignment. You are responsible for material covered in lecture as well as the assigned reading. Class attendance is not mandatory but is highly recommended. Due to the cumulative nature of the material please do not fall behind. Not all test material will be covered fully in the textbook.

Writing Intensive Course:

This class is designated as Writing Intensive (W). Writing Intensive courses, as understood by the Council on Liberal Education, are defined as courses at either the upper or lower division level in which the course grade is directly tied to the quality of the student's writing as well as to knowledge of the subject matter, so that students cannot pass the course who do not meet minimal standards of writing competence. In this course, a significant amount of writing is required - minimally ten to twenty finished pages. The writing assignment includes revisions of drafts/proposals on which you receive feedback. Additionally, you will have to briefly present your paper to the class.

Homework:

Assignments are due at the beginning of class on the listed dates. **No late assignments** will be accepted since answer keys will be posted after assignments are due. Only documented special circumstances (i.e. illness) will exempt you from this rule. If you know in advance that you will not be able to hand in an assignment on time (i.e. you will miss class), you must speak to the instructor before the assignment is due and hand it in early.

By department policy, homework must be typed, or you will automatically lose 20 points (the homework will be graded normally then 20 points will be subtracted from that score). Graphs and calculations may be handwritten (they must be legible and neat).

Working with others on homework is allowed and encouraged; however, each student must write up his or her **own** version of a solution, and everyone who collaborated must be acknowledged at the end of the homework. Turning in identical homeworks will result in a zero for both parties. Similar homeworks will receive a warning the first time and a zero each additional time.

If you disagree with the grading of an assignment submit a written argument for why you should be awarded more points. You must submit these disputes within 5 days of having been returned the assignment.

Exams:

Exams will be given in class on the dates given below. All exams are closed book and closed note. You may use a basic (non-programmable) calculator. The final will be cumulative. No cooperation is allowed during the tests, and any attempts of dishonesty will be punished with as much severity at the University permits.

There will be no make-ups for the midterm unless there is a valid, documented excuse. Make-ups are possible for the final exam only if the student has three exams within a 16 hour period. Please let the Instructor know as soon as possible if you are unable to take an exam on the assigned date, since last minute requests might not be honored due to time constraints.

If you disagree with the grading of a midterm, submit it to Mike with a written argument for why you deserve more points for the specific question(s) you would like re-graded. You must submit these arguments within one week of having been returned the midterm.

Class Website:

For the first half of the class the class website will be at <http://www.econ.umn.edu/~walrath/teaching4431WSum07.htm>. It will then move to Fabrizio's website (address to be announced later).

Assignments, important announcements and helpful links will be available on the website.

Grading criteria:

The final grade is determined as follows:

- Homework: 20%
- Midterm: 25%
- Final: 30%
- Writing Assignment: 25%

The grading scale is:

- 92%-100% A
- 90%-91% A-
- 88%-89% B+
- 82%-87% B
- 80%-81% B-
- 78%-79% C+
- 72%-77% C
- 70%-71% C-
- 68%-69% D+
- 60%-67% D
- 59% F

Note: You MUST receive at least a C- (70/100) on your Writing Intensive assignment in order to pass the course. This is a firm policy. Students taking the class on an S-N basis must receive at least a C- to receive an S.

Topics Covered:

Topic	Chapter
Introduction	1
Early Trade Theories	2
Ricardian Comparative Advantage	3
Extensions and Tests of Classical Model of Trade	4
Neoclassical Trade Theory	5
Gains from Trade in Neoclassical Theory	6
Offer Curves and Terms of Trade	7
Heckscher-Olin Model	8
Leontief Paradox and Empirical Tests of H-O Model	9
Post-H-O theories	10
Economic Growth and International Trade	11
The Instrument of Trade Policies	13
The Impact of Trade Policies	14
Arguments for Interventionist Trade Policies	15
Political Economy and US Trade Policy	16
Economic Integration	17
International Trade and Developing Countries	18

Calendar (tentative):

<u>Date</u>	<u>Activity</u>
June 11	First day of class
June 12	Homework I Assigned
June 14	Writing Assignment Topic Due (email to Mike)
June 18	Homework II Assigned
June 19	Homework I Due
June 25	Writing Assignment Outline Due
June 26	Homework II Due
June 28	Midterm
July 5	Homework III Assigned
July 10	Writing Assignment First Draft Due
July 12	Homework III Due
July 19	Writing Assignment Final Draft Due (paper and electronic copy)
July 19	Final