

Economics 436: International Trade
Fall 2009

Mingmei Jones
Phone: 777-4755
Email: mjones@binghamton.edu

LT 914
Office Hours:
Tue. & Thur., 3:00-4:00 p.m.

Prerequisites: Grades of C or better in ECON 360 and statistics (A- required from 2-year school).

Text: Paul Krugman and Maurice Obstfeld, “International Economics: Theory and Policy” (with MyEconLab), 8th edition, Pearson/Addison-Wesley, 2009.

Content

We study the economic theory of international trade and governmental policies on trade. In the first part of the course, we introduce the classic trade models (the Ricardian model, the Heckscher-Ohlin model and the standard trade model) to explain where the gains from trade come from, who benefits from it, and to predict the pattern of trade. We then examine economies of scale and imperfect competition as the cause of intra-industry trade which is important among developed nations. In the second part of the course, we study trade policy instruments such as tariff and export subsidy. We then turn to the political economy of trade policy, paying particular attention to the case made for free trade and arguments against it. We conclude by discussing trade policy in developing countries, as well as controversies in trade policy, in particular those related to globalization and the environment.

We will cover chapters 1 to 11 of Krugman and Obstfeld.

Requirements

1. *Exams:* There will be two in-class midterm exams and one final exam. The midterms will take place on Thursday, Oct. 1 and Thursday, Nov. 5.
2. *Assignments:* There will be about 5 to 6 problem sets. I will also assign exercises and ask you to take quizzes on MyEconLab which is online. This system gives you instant feedback and even personalized study plan. Each new student copy of the textbook comes with prepaid access to MyEconLab.
3. *Reading:* You should browse through each chapter before it is covered in class, and read it again - focusing on materials that you feel you don't understand well yet - after the class.

4. *Class presentation:* You will give a group presentation in class on a topic related to international trade. Each group will have 4 students.
5. *Attendance:* My expectation is that you will attend class regularly. Although I don't take attendance regularly, I might do so on random days and on a selected group of students. Recorded absences with no valid excuse will affect your grade unfavorably.

* Please do not show up to class LATE or leave EARLY, it is very disruptive. If I note that you have habit of doing so, it will affect your grade unfavorably.

Grading

Grades will be based on the two midterm exams (23% each), the final (26%), the homework assignments (16%), class presentation (12%). (But note the policy on attendance above.)

ECONOMICS DEPARTMENT POLICY REGARDING MAKE-UP FINAL EXAMS

ALL make-up final exams in Economics will be given **Friday, December 18 from 8:00 to 10:00 AM**. All officially scheduled final exams are linked from the [BU Brain](#) – check **NOW** for conflicts. If a conflict exists you may request a make-up exam from the instructor of **ANY** of the conflicting courses. If you choose to request a make-up exam for an economics course, a sign-up list to request the make-up exam will be available in class after the add/drop deadline – ask the instructor. Students **MUST** make their request for a make-up exam in economics **NO LATER THAN FRIDAY, October 9**.

It is **the student's responsibility** to learn from the instructor if the request has been approved. Only students who are approved may take a make-up final exam. Students who have not requested a make-up exam in an economics course by **October 9** will be required to resolve conflicting exams with the instructor in one of their other courses.

Make-up exams are approved **ONLY** for the following conditions:

- Conflicts with the **OFFICIAL** final exam schedule (e.g. exams at the same time or more than two exams within 24 hours).
- **DOCUMENTED** personal illness or family emergency.