

## **SYLLABUS: ECON443 0201**

### **International Trade and Trade Policy in the New Global Economy**

**Instructor:** Yang Xu

**Spring 2016**

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**Course Description:** This course aims to expand students' understanding of the current issues of international economics and how the growing integration of national economies has changed the way the world works. We will build upon theoretical models of microeconomics (and macroeconomics) to analyze some of the most important issues of the international economic environment of the past fifty years, with particular emphasis on the role of U.S. trade policy and of U.S. relations with its trade partners.

**Course Outcomes:** (1) Students will understand current international economic issues including customs unions, free trade areas, immigration, and integration of monetary and fiscal policies across borders; and (2) develop and apply the economic tools necessary to respond critically to the wealth of information and opinions they are exposed to in the media regarding various aspects of international economics.

**Course meets:** TuTh 9:30am – 10:45am in TYD 1108

**Office Hours:** before lectures TuTh 8:30am – 9:30am

**Prerequisites:** Students are expected to have completed both ECON325 and ECON326 with a C- or better.

**Recommended Text:** International Trade: Theory and Policy Tenth Edition by Krugman, Obstfeld and Melitz. (KOM)

**Readings:** Occasionally extra readings will be posted through Canvas.

**Course Website:** If you are registered for this course, you should use your directory ID and password to access [www.elms.umd.edu](http://www.elms.umd.edu). Copies of this syllabus, your grades, and other relevant documents will be made available through the course website.

**Communication:** Email is the best way of communicating with me. Please include "ECON443" in the subject of your email. I will do my best to respond within 36 hours.

**Exams:** There will be three exams.

Exam 1: Thursday, Mar 3 (in class);

Exam 2: Thursday, Apr 14 (in class);

Final: Friday, May 13 (8:00am to 10:00am)

**Make-up policy:** Students are required to take both exams since these assessments are “major scheduled grading events”. Absences from exams must be fully documented and university authorized.

Make-up exams will be granted only to those students whose excuse complies with University policy. If you believe you need a make-up, please inform me as far in advance as possible and at a minimum the day of the exam.

**Homework:** Homework problem sets will be given out regularly. They will be posted on elms, and they must be turned in class. They will be graded and count as 20% of the final grade. It is ok to work with a classmate on problem set, but each student must submit his/her own copy. Clearly, working together on a problem set does not mean copying solutions from a classmate. Independently of homework grading, working through problem sets is very useful for keeping up with material and making sure you understand key concepts. It is also a very good way to prepare for exams.

**Review sessions:** Each class before the exams will be dedicated to review the material for the coming exam. I will go over the homework solutions. Students will have one more opportunity to ask questions before the exam.

**Grading:** Final grades will be determined as follows

Exam 1: 25%

Exam 2: 25%

Final: 30%

Homework: 20%

TOTAL 100%

**Course Material:** To facilitate the learning process in this course, I post lecture slides and other material of interest to the class. Please note that all my lectures and course materials, including power point presentations, tests, homework, outlines, and similar materials, are protected by copyright. You may take notes and make copies of course materials for your own use. You may not and may not allow

others to reproduce or distribute lecture notes and course materials publicly whether or not a fee is charged without my express written consent. Selling or distributing course materials may violate the Code of Student Conduct. Persons who publicly distribute or display or help others publicly distribute or display copies or modified copies of an instructor’s course materials may be considered in violation of the University Code of Student Conduct, Part 9(k).

**Attendance:** Attendance is not mandatory, but strongly recommended. Failure to attend is at student's own risk. Students are responsible for any announcements made or information given during class.

**Academic Integrity:** The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see [www.studenthonorcouncil.umd.edu](http://www.studenthonorcouncil.umd.edu). If I observe what I believe is a violation of the Code of Academic

Integrity, I will refer any and all students involved to the Student Honor Council.

**Accommodations for students with disabilities:** I will make every effort to accommodate students who are registered with the University's Disability Support Services (DSS) office and who provide me with an updated DSS form by the first week of class. I am not able to accommodate students who are not registered with DSS or who do not provide me with the documentation in advance of exams. Course Evaluations: I look forward to receiving your feedback on the course, both during and at the end of the semester. In particular, your participation in the evaluation of courses through CourseEvalUM is a responsibility you hold as a student member of our academic community. Your feedback is confidential and important to the improvement of teaching and learning at the University.

**Course Outline:**

week	This is a tentative outline, the exact dates are subject to change
1	Course outline + World trade: an overview - chap 2 KOM
2	Labor productivity and Comparative Advantage: the Ricardian model chap 3 KOM
3	
4	Specific factors and income distribution - chap 4 KOM
5	Resources and Trade: The Heckscher-Ohlin model - chap 5 KOM
6	Review
	Exam 1 in class Mar 3 <sup>rd</sup> (chap 1-5)
7	External economies of scale - chap 7 KOM
	Firms in the global economy - chap 8 KOM
8	Spring break
9	Export decisions, outsourcing, and multinational enterprises - chap 8 KOM
10	Evolution of levels of protection
11	The instruments of trade policy - chap 9 KOM
12	Review
	Exam 2 in class Apr 14 <sup>th</sup> (chap 7-9)
13	The political economy of trade policy - chap 10 KOM
14	
15	Trade policy in developing countries - chap 11 KOM
16	Review
	Final exam - Friday May 13 <sup>th</sup> from 8:00 am to 10:00 am (cumulative)