

DEPARTMENT OF ECONOMICS
Faculty of Science



INTERNATIONAL TRADE
ECON 3330.03

Dr. Wimal Rankaduwa

Office: A13

Office Hours: TTH 12.00 - 13.00p.m.

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May 06 – May 28, 2019

MTWR 09.35-11.55

Studley LSC-COMMON AREA C238

Course Description:

This course examines the theory and empirics of international trade, including standard historical trade theories, more recent theories, and evidence regarding these theories. The course investigates factor movements, the welfare effects of trade policies in both industrial and developing countries, and the institutions that have developed to regulate those policies.

CREDIT HOURS: 3

FORMAT: Lecture, 3 hours per week

LECTURE HOURS PER WEEK: 3

PREREQUISITES: ECON 2200.03 (or ECON 2210.03 or ECON 2220.03) with a minimum grade of C

Course Objectives/Learning Outcomes:

After completing this course by following instructions, reading the assigned material, and applying the theories and tools presented in the course, you will be able to:

- Understand theories of trade that explain determinants and pattern of international trade.
- Explain the economic effects of trade, including those on the distribution of income.
- Identify various instruments of trade policy such as tariffs, quotas, and exports subsidies and their economic effects.
- Demonstrate knowledge of important current issues such as labour and environmental standards, regional trading arrangements, and strategic trade policy.
- Understand several controversies in trade policy that help explain the debates on trade and trade policy.

Textbook:

Paul R. Krugman, Maurice Obstfeld, and Marc Melitz. *International Trade: Theory and Policy*, 11th Edition, Pearson Education, Toronto, 2018

Course Assessment:

Assignments 30% (the lowest mark dropped)

Mid-Term Examination 30% (May 15th)

Final Examination 40% (May 28th)

Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F
Percentage	90 -	85 -	80 -	75 -	70 -	65 -	62 -	58 -	55 -	50 -	0 -
Equivalent	100	89.99	84.99	79.99	74.99	69.99	64.99	61.99	57.99	54.99	49.99

Lecture Schedule:

The following schedule is only a proposed outline, which may be revised. Topics and material may be added or removed as needed. Of critical importance is your understanding of the course material. As such, some topics may be covered faster or slower than planned.

Day/ Lecture	Date	Topic	Chapters
1	May 06	Introduction World Trade: An Overview	1 2
2	May 07	Labor Productivity and Comparative Advantage: The Ricardian Model	3
3	May 08	Specific Factors and Income Distribution	4
4	May 09	Resources and Trade: The Heckscher-Ohlin Model	5
5	May 13	The Standard Trade Model	6
6	May 14	External Economies of Scale and the International Location of Production	7
7	May 15	MID-TERM EXAMINATION, IN CLASS	1-6
8	May 16	Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises	8
9	May 21	The Instruments of Trade Policy	9
10	May 22	The Political Economy of Trade Policy	10
11	May 23	Trade Policy in Developing Countries	11
12	May 27	Controversies in Trade Policy	12
13	May 28	FINAL EXAMINATION, IN CLASS	All Chapters

Schedule of Assignments

Assignment (% of Grade)	Chapters Covered	Available on	Due on or before
Assignment #1 (10%)	Chap 1- 3	May 07, 2018	May 09, 2019
Assignment #2 (10%)	Chap 4– 6	May 09, 2019	May 14, 2019
Assignment #3 (10%)	Chap 7 – 9	May 14, 2019	May 22, 2019
Assignment #4 (10%)	Chap 10 -12	May 22, 2019	May 28. 2019