



UNIVERSITY OF  
CALGARY

## Department of Economics Course Outline

		<b>Term:</b>	Spring 2009
<b>Course:</b>	Economics 321 [The Global Trading System]	<b>Section:</b>	20
<b>Time:</b>	MW 18:00 – 20:50	<b>Place:</b>	SS 109
<b>Instructor:</b>	Dr. David R. Sabiston		
<b>Office:</b>	SS 405	<b>Telephone :</b>	440-6546; 402-220-5866
<b>Office hours:</b>	MW 17:15 – 17:45	<b>E-mail:</b>	<a href="mailto:david.sabiston@gmail.com">david.sabiston@gmail.com</a>

### Textbook(s):

*Required:* Feenstra, Robert C., and Alan M. Taylor (2008). *International Trade* (1<sup>st</sup> ed). Worth Publishers, New York, NY.

*Optional:* Yeaple, Stephen R. (2008). *Study Guide with Worked Examples for use with International Trade* (1<sup>st</sup> ed). Worth Publishers, New York, NY.

### Book(s) on Reserve:

- Carbaugh, Robert J, *International Economics*, (11<sup>th</sup> ed.) Thompson/South-Western Publishing 2007
- Irwin, Douglas A. (2002). *Free Trade Under Fire*. Princeton University Press, Princeton, New Jersey.
- Krugman, Paul (1997). *Pop Internationalism*. MIT Press.

### Course Outline:

This course provides an introduction to a variety of topics concerning international trade theory and policy. These topics include: classical trade theory based on absolute and comparative advantage, the specific-factors model, the Heckscher-Ohlin theory, new trade theory based on imperfect competition, international trade policies including tariffs, non-tariff trade barriers and export subsidies, international trade agreements and the role of the World Trade Organization (WTO). Initial lectures focus on theoretical and empirical components of trade theory, whereas the latter portion of the course identifies the institutional framework and examines current issues associated with trade.

The Department of Economics offers two follow-up courses, Economics 425 (International Trade II) and Economics 423 (International Macroeconomics). Economics 425 provides students with a more detailed explanation of trade flows and examines issues such as: strategic trade policy in the presence of imperfect competition; trade, growth and technological change; trade-related aspects of intellectual property; and trade, trade policy and the environment. Economics 423 examines international economics from a macro-economic perspective including the financial side of international economics such as exchange rates.

### **Part One: Introduction to International Trade**

Chapter 1 Trade in the Global Economy

### **Part Two: Patterns of International Trade**

Chapter 2 Trade and Technology: The Ricardian Model

Chapter 3 Gains and Losses from Trade in the Specific-Factors Model

Chapter 4 Trade and Resources: The Heckscher-Ohlin Model

### **Part Three: New Explanations for International Trade**

Chapter 6 Increasing Returns to Scale and Imperfect Competition

### **Part Four: International Trade Policies**

Chapter 8 Import Tariffs and Quotas under Perfect Competition

Chapter 9 Import Tariffs and Quotas under Imperfect Competition

Chapter 10 Export Subsidies in Agriculture and High-Technology Industries

Chapter 11 International Agreements: Trade, Labor, and the Environment

**NOTE: Depending on time constraints, some topics may be added or deleted.**

### **Grade Determination and Final Examination Details:**

Assignment #1 – May 27, 2009	15%
Midterm #1 – June 1, 2009	20%
Assignment #2 – June 10, 2009	15%
Midterm #2 – June 15, 2009	20%
Final Examination	30%

Tests and final exams are marked on a numerical (percentage) basis and converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalencies will generally apply:

A+	94 – 100	B	74 – 76	C-	60 – 63
A	88 – 93	B-	70 – 73	D+	56 – 59
A-	83 – 87	C+	67 – 69	D	50 – 55
B+	77 – 82	C	64 – 66	F	0 – 49

**Notes:**

- There will be a Registrar scheduled final examination, lasting 2 hours and held in a classroom. A passing grade on any particular component of the course is not required for a student to pass the course as a whole. *Non-programmable* calculators will be permitted during the writing of midterms or the final examination. Tests and exams will not involve multiple choice questions.
- Make-up midterms and deferred midterms will not be given. In cases of documented illness, documented family emergency, or documented religious observance, extra weight will be given to the final examination and/or the next midterm.
- ***Assignments must be submitted on the due date*** – no exceptions, no pleas for mercy will be entertained.
- Students seeking reappraisal of a midterm should discuss their work with the Instructor *within seven days* of the work being returned to the class.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 403-220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. In the Department of Economics, we recommend that all students enrolled in the Spring/Summer session, should discuss their needs with the instructor of the course no later than *seven (7) days* after the start of this course.

## Students' Union Vice-President, Academic

Meg Martin

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## Society of Undergraduates in Economics (S.U.E.)

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Safewalk / Campus Security: 220-5333

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