

# ECON 365: International Trade

St Francis Xavier University

Department of Economics

**Professor:** Brandon Malloy

**Fall 2022**

**Office:** Mulroney Hall 3065

**Telephone:** (902) 867-3866

Email: [bmalley@stfx.ca](mailto:bmalley@stfx.ca)

**Classes:** Mondays 11:15-12:30PM, Thursdays 12:45-2:00PM, in MULH 4034

**Office Hours:** Mondays 9:45-11:00AM, Thursdays 11:15-12:30PM, Tuesdays and Wednesday 12:00-1:30PM **by appointment**

## Course Description

This is the first of two half-courses on International Economics (along with Econ 366). This course focuses on the theory of international trade and its policy implications. The main topics covered are: patterns of trade and specialization (from classical models -Ricardo and Heckscher-Ohlin - to more recent models of monopolistic competition); gains from trade; terms of trade; effects of trade on income distribution; growth and economic development; commercial policy (tariff and non-tariff barriers, protectionism); economic integration (with emphasis on NAFTA/USMCA); migration and trade; and intellectual property rights.

## Objectives and Learning Outcomes

The course has three main objectives:

- (1) To understand the determinants of trade flows in goods and services between countries, along with the policies used to influence such trade.
- (2) To explore the theory and practice of international trade and identify the problems accompanying trade policies between countries.
- (3) To prepare students for further study of international economics, and provide a thorough understanding of economic relations across countries.

## Prerequisites

ECON 201.

## Textbook

Krugman, Obstfeld and Melitz, *International Economics: Theory and Policy* (12th edition), Pearson Publishing, ISBN-10: 0133827046

(The second-half of this book will be used for ECON 366 in the Winter 2023 semester.)

## Evaluation

The course grade will be based on three methods of evaluation:

Chapter Review Problems (best 6 of 7).....	30%
Midterm Exam.....	30%
Final Exam.....	40%

### *Chapter Review Problems*

Review problems will be assigned at the conclusion of each chapter. Students will be required to submit answers, in writing, and **in person in class**, one week after the assignment of the questions, to receive credit.

The grade will be composed of the top 6 scores received, with 5% being allocated for each chapter score. Students may submit for as many or as few chapters as they wish. No extensions will be granted for submission of review questions. Students may consult with other students on questions, but must submit their own work and **MUST** acknowledge any collaboration on their submissions.

### *Midterm Exam*

The midterm is scheduled for Thursday, October 20. Students missing a midterm exam due to illness, unexpected emergencies or other conflicts must notify the Dean's office and provide proper authenticated documentation in order to be considered for a make-up exam, as outlined in Section 3.9 of the Academic Calendar.

### *Final Exam*

The final exam will be cumulative and will cover the breadth of topics covered during the entire course. The time and date will be determined by the Registrar.

## Course Outline

<i>Part I: Economics of International Trade</i>	Chapter(s)
1. Introduction and Overview	1, 2
2. Trade and Comparative Advantage (The Ricardian Model)	3
3. Trade and Resources (The Heckscher-Ohlin Model)	4, 5
4. Trade and Economies of Scale	6, 7
5. Firms in the Global Economy	8
 <i>Part II: Policy Issues in International Trade</i>	
1. The Instruments of Trade Policy	9
2. The Political Economy of Trade Policy	10
3. Trade Policy in Developing Countries	11
4. Controversies in Trade Policy	12

## Important Dates

Tues, Sept 6- First day of Fall classes

Tues, Sept 13- Last day to change first-term or full-year courses

**Mon, Oct 10- Thanksgiving - NO CLASSES**

Thurs, Oct 20- **Midterm Exam**

Wed, Nov 2- Last day to drop first-term three-credit courses

**Mon, Nov 7- Fri, Nov 11- Fall Study Break- NO CLASSES**

Tues, Dec 6- Last day of Fall classes

Thurs, Dec 8- Exam period begins

*Students may drop a course, online in Banner, on or before Wednesday, November 2, 2022. After this date students are not permitted to drop courses without permission from their Dean. (please see 3.1 in academic calendar for policy regarding course drops).*

## **Statement on Equitable Learning**

*Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.*

*Please feel free to talk with me about your questions or concerns about equity in our classroom or in the STFX community in general. If I cannot answer your questions or help you address your concerns, I encourage you to talk to the Chair/Coordinator of the Department/Program or the Human Rights and Equity Advisor. Please note that a Human Rights and Equity Advisor will soon be appointed. In the meantime, students, faculty, or staff may also contact the Director of Human Resources at [hr@stfx.ca](mailto:hr@stfx.ca) or the Office of the AVP&P*

*These course materials are designed for use in Econ 365 at StFX University and are the property of the instructor, unless otherwise stated by the instructor. Copying this material for distribution, online posting, or selling of this material to third parties without permission is subject to Canadian Copyright Law and is strictly prohibited.*