

# INTERNATIONAL TRADE ECONOMICS EC3352A-001

Department of Economics  
Western University

September 2020

## General Information:

**Instructor:** Ananth Ramanarayanan  
**Office:** 4054 SSC  
**Phone:** 519-661-2111 ext. 85393  
**E-mail:** aramanar@uwo.ca  
**Office hours:** Mondays, 12:30pm-2:30pm Eastern Time, on Zoom. Sign up using the sign-up tool in OWL.  
**Delivery mode:** online asynchronous  
**Course website:** <https://owl.uwo.ca/portal>  
**Undergraduate inquiries:** 519-661-3507 or SSC Room 4075 or [econugrd@uwo.ca](mailto:econugrd@uwo.ca)

## Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

## Prerequisite Note:

The formal prerequisite for this course is **Economics 2261 A/B**. The antirequisites for this course are **Economics 2163 A/B and 2167 A/B**.

In addition, you should be very comfortable with **calculus, algebra, and geometry**. This course will make heavy use of all these tools.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any antirequisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the add/drop deadline. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course for graduation.

### **Course Objectives:**

This course is an advanced introduction to the study of international trade. We will examine models of international trade and investigate how well these models do in explaining the observed patterns of trade among countries. We will use the frameworks provided by these models to ask how large are the gains from trade, and to analyze policy issues such as tariffs and trade agreements. We will also examine theories of foreign investment and multinational firms.

### **Course Learning Outcomes:**

By the end of this course, you will learn to:

- Identify major features of the bilateral patterns and industry composition of international trade flows in the data;
- Analyze the determinants of comparative advantage and international trade in common theories of international trade;
- Solve for equilibrium outcomes in simple, fully-specified models of international trade;
- Evaluate the effects of international trade on national output, wages, and productivity;
- Assess the predictions of international trade theories and compare them to data

### **Course Materials:**

There is no textbook for this course. There will be notes, slides, readings, practice problems, and short videos posted on the course website.

### **Communication:**

Course-related communication will take place through the course OWL site, email, and Zoom.

- You should check the course OWL site regularly throughout the term for

announcements and for new material.

- You can post course-related questions in the forums on OWL, and discuss other students' comments or questions. I will monitor the forums daily and post videos or notes addressing frequently discussed topics.
- You can email me individual questions, and I will respond within 1-2 days. I will also post on OWL answers to questions that I get over email if I think they are useful for the entire class.
- Office hours will be over Zoom, on Mondays, 12:30-2:30pm Eastern Time. You can sign up for a 10-minute slot using the sign-up tool on the OWL site, from 1 week in advance up until the beginning of the office hours.

## Technical Requirements

As this is an online course, you will need the following equipment and connectivity to access course content, take exams, and communicate with me:

- Laptop or computer with a stable internet connection, to access course resources and submit exams
- A Zoom account with your @uwo.ca email address, for office hours
- Microphone, for office hours
- [optional] Webcam, for office hours

For technical support, see the OWL Help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL; update your browser frequently.

## Assessments and Grading:

Your grade in this course will be based on 3 midterm exams and a final exam. The dates, coverage, and percentage of your grade are in the table below. **All dates are tentative; you will be notified of any changes.**

	Date (tentative)	Material covered (see next section)	% of mark
Midterm 1	Wednesday, October 7	Module 1-2	20
Midterm 2	Wednesday, October 28	Module 3	20
Midterm 3	Wednesday, November 18	Module 4	20
Final	TBD, scheduled by registrar	Cumulative; all course material	40

All exams will be take-home style, open book exams. I will post the exam on OWL at 3pm Eastern Time on the date in the table above, and you will have until 11pm Eastern Time to submit your answers. If you are well prepared, then you should spend at most 75 minutes on the midterm exams and 2.5 hours for the final. I am giving you an 8-hour window to take care of differences in time zone, and to avoid any academic conflicts. During the 8-hour time window, you may not communicate about the exam with anyone other than me (even after you have submitted your exam). You will sign an oath to this effect at the beginning of each exam. I will be available for questions during exams by email.

There will be no make-up midterm exams. If you miss one midterm exam due to a self-reported illness or an official accommodation, the weight of that exam will be transferred to the final. If you miss two or more midterms, then you may be judged to have missed too much course material to take the final exam, and you will need to contact me. If you miss a midterm exam without a self-reported illness or an official accommodation, you will receive a mark of zero for that exam.

### **Outline of topics:**

Course contents are organized into five modules:

#### Module 1: Introduction

- Patterns of bilateral trade flows
- Growth in the volume of trade over time

#### Module 2: Comparative Advantage and the Ricardian Model

- Comparative advantage and gains from trade
- Equilibrium in the 2-country Ricardian Model
- Empirical evidence on the Ricardian model
- Trade policy in the Ricardian model

#### Module 3: Factor endowments and the Heckscher-Ohlin model

- The Five Theorems of the H-O model
- Equilibrium in the 2-country, 2-factor H-O model
- Empirical evidence on the H-O model and the Leontief paradox

#### Module 4: Scale Economies and the Krugman Model

- Increasing returns to scale and imperfect competition
- Equilibrium in integrated world economies
- Theoretical predictions and empirical evidence on the volume of trade
- Theoretical and empirical gravity models

#### Module 5: Firms in International Trade

- A model of heterogeneous firms and exporting decisions
- Exporting vs. FDI
- Empirical evidence on firm-level exporting and FDI decisions

### **Professionalism, Privacy and Copyright:**

- All course materials posted on the course website, including slides, notes, outlines, practice problems, and exams, are protected by **copyright**. You may download and/or print out course materials for your own educational purposes only.
- You may not reproduce (or allow others to reproduce), post or distribute notes, assessments, or any other course materials without written consent.
- You will be expected to sign an academic integrity pledge as part of each exam.

### **Tips on How to Be Successful in this Class**

Because this is an asynchronous, online class, you should understand the level of autonomy and self-discipline required to be successful.

- Make it a habit to regularly log onto OWL to ensure you have seen all materials and announcements posted.
- Take notes as you go through the course material. Keeping your own handwritten or typed notes will help you learn more effectively than just reading the posted materials.
- As you go through the material, keep a list of questions. Post your questions in the OWL discussion forums.
- Prepare for exams as though they were in-person, closed-book exams, so that when you take the exam, you spend your time thinking about the questions rather than reviewing the course material.
- If you have questions or are struggling with a topic, check the online discussion boards or contact me.

**Please Note**  
**Department & University Policies for 2020-2021**

The University expects all students to take responsibility for their own Academic Programs. Students should check their registration to ensure they are enrolled in the correct courses.

**Academic Rights and Responsibilities:** Students should be familiar with their “Academic Rights and Responsibilities” as outlined [here](#) in the Western Academic Calendar. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

**Guidelines and Policies for Students** are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>. Undergraduate information for the Faculty of Social Science can be found at: <https://www.ssc.uwo.ca/undergraduate/index.html> and for the Department of Economics at: <https://economics.uwo.ca/undergraduate/index.html>.

**Rules of Conduct for Examinations:** Students are expected to know the university’s Rules of Conduct for Examinations, available [here](#).

**Cheating and Academic Offences:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating and other academic offences very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in Economics courses or programs. The University may impose further penalties such as suspension or expulsion.

**Plagiarism:** Plagiarism is an academic offence. Students must write their essays and assignments in their own words. Ideas/passages taken from another author must be referenced with footnotes or citations and acknowledged with quotation marks where appropriate. Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3. See Scholastic Discipline for Undergraduate Students [here](#) in the Western Academic Calendar.

**Academic Appeals:** Students should refer to the Student Academic Appeals section [here](#) in the Western Academic Calendar. Please note the relevant deadlines.

**Department Appeals Procedures:** The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may submit a written appeal to the Undergraduate Director in Economics, stating the reasons for their appeal. Information on the Department of Economics’ appeals procedure and the appeals form are available [here](#).

**Systematic Adjustments:** Systematic adjustments of class grade distributions (either up or down) can occur in Economics courses. The systematic adjustment of a class grade distribution is **not** grounds for an appeal.

**Add/drop deadlines:**

Deadline to add a first term half course:  
Deadline to drop a first term half course:

**Thursday September 17, 2020**  
**Thursday November 12, 2020**

**Oversleeping or Misreading the Exam Schedule:** Faculty of Social Science policy states that oversleeping or misreading the exam schedule is NOT grounds for a makeup. This rule applies to all exams in the Department of Economics.

**End of Term Travel:** Students must book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

**Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted.

**Accommodation Policies:** Students with disabilities should work with Accessible Education (formerly SSD), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).

**Academic Consideration for Student Absence:** Students will have up to two (2) opportunities during the regular academic year to use an on-line portal to self-report an absence during the term, provided the following conditions are met: the absence is no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted on the syllabus. Students are not able to use the self-reporting option in the following circumstances:

- for exams scheduled by the Office of the Registrar (e.g., December and April exams)
- absence of a duration greater than 48 hours
- assessments worth more than 30% of the student's final grade
- if a student has already used the self-reporting portal twice during the academic year

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**

For Western University policy on Consideration for Student Absence, see:  
[Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)

For the Student Medical Certificate (SMC), see:  
[http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf).

**Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

**Policy Regarding Class Attendance and Engagement:** If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

**Statement on Mental Health and Support Services:** Students under emotional/mental distress should visit [http://uwo.ca/health/mental\\_wellbeing/](http://uwo.ca/health/mental_wellbeing/) for more information and a complete list of resources on how to obtain help.