

International Trade Hallym University

I. Course Information

International Trade will study the functioning of the international economy. The topics will include theoretical principles that govern international trade, empirical evidence of world trade patterns and policies in industrialized and developing countries, and trade deficits and surpluses, etc.

Prerequisites: Principles of Microeconomics, Intermediate Microeconomics

Class Meets Mondays and Wednesdays from 3:30 – 4:45 p.m.

II. Instructor's Information

Changik Jo, Ph.D. (cjo@hallym.ac.kr)

III. Course Purpose, Goals, and Learning Objectives

Need to learn several theories in international trade.

Need to acquire the knowledge how international trade works.

Need to investigate the trade policies and their impacts.

IV. Method of Assessing Goals

Students are expected to attend all the sessions, read the textbook before and after the session, take good class note, and take all the exams. See sections V, VI, VII and XI for further information.

V. Grading Policies and Procedures

Midterm (35%)

Final (Not Cumulative) (35%)

Term Paper (20%)

Attendance and Class Participation (10%)

Students should write their own paper on issues related to international trade. The paper should consist of **1-page abstract** of paper with title and **at least 8-pages** additional description of your paper, numbered and double-spaced using **a font size no smaller than 12 point** and **1-inch margins**. A **1-page select bibliography** should be included.

Students should see the instructor to choose the topics **no later than October 8**. It would be better if you have some probable topics when you come to see me, then we can narrow down the topics to find a specific one. You have to submit the proposals with up to 4 pages **by November 5**. The final paper is **due December 10**.

100 – 90 A; 89 – 80 B; 79 – 70 C; 69 – 60 D; 59 – 0 F.

MAKEUP EXAMS WILL NOT BE GIVEN FOR ANY REASONS EXCEPT THE FOLLOWING REASONS.

1) serious illness; 2) illness or death of family member; 3) university-related trips.

It is the student's responsibility to inform me of the absence preferably in advance, or as soon as reasonably possible. The burden of proof is on the student to provide sufficient documentation regarding the nature of absence, and I retain the right to ask for such proof.

VI. Tentative Schedule and Content Outline

Week	Dates	Topics	Chapter	Problem Sets
1	Aug. 23, 25	Course Introduction Basic Concepts of international Trade	Ch. 1, 2	
2	Aug. 30, Sep. 01	Review: Theory of Supply and Demand Why Everybody Trades	Ch. 2, 3	
3	Sep. 06, 08	Comparative vs. Absolute Advantage Who Gains and who loses from Trade?	Ch. 3, 4	
4	Sep. 13, 15	Alternative Theories of Trade	Ch. 5	
5	Sep. 20, 22	Economic Growth and Trade Analysis of Tariffs	Ch. 6, 7	PS 1
6	Sep. 27, 29	Analysis of Tariffs Nontariff Trade Barriers (NTB)	Ch. 7, 8	
7	Oct. 04	Review	Chs. 1~8	
<i>Midterm Exam will take place on October 6 (Wednesday)</i>				
8	Oct. 13	Arguments for and against Protection	Ch. 9	
9	Oct. 18, 20	Arguments for and against Protection Pushing Exports: Dumping, and Antidumping Policies. Export Subsidies	Ch. 9, 10	
10	Oct. 25, 27	Pushing Exports Trade Blocs and Trade Blocks Trade Discrimination	Ch. 10, 11	
11	Nov. 01, 03	Trade Blocs and Trade Blocks Trade Discrimination	Ch. 11	
12	Nov. 08, 10	Trade Policies for Developing and Transition Countries	Ch. 13	
13	Nov. 15, 17	International Factor Movements	Ch. 14	
14	Nov. 22	Trade and Environment	Ch. 12	PS 2
15	Nov. 29, Dec. 01	Additional Debates and Reviews	Chs. 9~14	
<i>Final Exam will take place on December 7 (Tuesday) at 6:00 p.m..</i>				

- A. Why Everybody Trades:** Adam Smith's Theory, Ricardo's Theory of Comparative Advantage
- B. Who Gains and who loses from Trade?:** Heckscher-Ohlin Theory and its implications.
- C. Alternative Theories of Trade:** Several theories depending on market structures.
- D. Economic Growth and Trade:** Balanced vs. Biased Growth, technology and Growth.
- E. Analysis of Tariffs:** Effect on Producers, Consumers, and Government. Optimal Tariffs.
- F. Nontariff Trade Barriers:** Import Quota, Voluntary Export Restraints (VERs), Other Nontariff Barriers.
- G. Arguments for and against Protection:** Infant Industry Argument. Dying Industry and Argument. Noneconomic Objectives. Policies of Protection.
- H. Pushing Exports:** Dumping, Export Subsidies, WTO Rules and Subsidies.
- I. Trade Blocs and Trade Blocks:** Types of Economic Blocs, Basic Theory of Blocs, Examples of Blocs.
- J. Trade Policies of Developing and Transition Countries:** International Cartels, Import-substituting Industrialization (ISI).
- K. International Factor Movements:** Foreign Direct Investment. History and Current Patterns, Migration.
- L. Trade and the Environment:** Is the WTO Anti-Environment? Global Environmental Challenges.

VII. Method of Instruction

The session will mainly be a lecture style even class discussion is welcome. The course grade will partly reflect the class participation. Therefore, the students are expected to be well prepared.

IX. Textbooks and Supplementary Readings

Required Reading: International Economics, 12th Edition by Thomas A. Pugel

Recommended Readings:

The Choice: A Fable of Free Trade and Protectionism, by Russell Roberts.

Articles of The Wall Street Journal, The Economist, and The New York Times, etc.

X. Computer and Information Technology Usage

If necessary, I will distribute articles, class materials, and sample questions (problem sets) **via my personal web site (web.hallym.ac.kr/~cxj183)**.

XI. Course Policies

1. Prompt and regular attendance is expected and required.
The attendance will be checked at every session. You are all adults who can decide whether you wish to attend class or not. However, I am also not required to repeat material from previous lecture or give you private lectures on materials you choose to miss. You are responsible for obtaining lecture notes from a classmate.
2. Since the majority of the material is presented through the lectures, it is key that the classroom be a place of respect for fellow students. To this end, I expect you to turn off cell phones prior to the start of lecture, that you not engage in distracting conversation, that you not read newspapers or other material during the lectures, and so on.
3. Class participation is strongly recommended.
4. Academic dishonesty will be dealt with in accordance with the University policy as described in the Hallym University Student Handbook.

XII. Learning Facilities Available

The Ilsong Memorial Library

The Computer Labs