

UNIVERSITY OF WATERLOO
Economics 231, Section 001, Fall 2011
Introduction to International Economics

Instructor: Fiona T. Rahman

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Lecture hours: Monday, Wednesday and Friday

10:30 am – 11:20 am in PAS2083

Office Hours: Friday, 12:00 – 2:00 pm (Other times by appointment only)

Communication with students: Important announcements related to this course will be posted on UW-ACE throughout the term.

Course Description:

The course provides a broad overview of International Economics with emphasis on International Trade Theory and Policy. Economic models will be used to understand the gains from trade, patterns of trade, instruments of trade policy, the effects of trade policy interventions and exchange rate determination. Some discussion on trade policy in developing countries will take place during the later part of the course.

Prerequisites: Econ 101, 102.

Text: International Economics: Theory and Policy (9th Edition) by Paul R. Krugman, Maurice Obstfeld & Marc J. Melitz, Pearson Addison Wesley. [You can also use the 8th edition –but you would be responsible for managing the additional materials added in the 9th edition]. Supplements (MyEconLab and study guide) to this text are optional.

TEXTBOOK WEBSITE

<http://www.aw-bc.com/krugman/>

Lecture Notes:

The lecture slides will be posted on UW-ACE at: **1119 ECON231 International Economics (Section 001).****Lecture slides will be incomplete. Hence it is highly recommended that the students attend the lecture classes and read the text according to the lecture material.**

Evaluation: The course grade will be determined by the following rule:

Course Grade:

= max {(20% In-class Quizzes + 25% Midterm + 55% Final), (100% of Final)}

(1) Quizzes (20%):

Quiz 1 (10%): Date: October 3, Monday; Time: (During Lecture Hours)

Quiz 2 (10%): Date: November 25, Friday; Time: (During Lecture Hours)

(2) Midterm Test (25%):

Date: October 31, 2011 (Monday),

Time: 10:30 am - 11:20 am, Location: TBA

Bonus Marks: Any student who achieves full marks in the midterm test is entitled to 2 bonus marks. However, the highest overall grade in the course cannot be greater than 100.

Make-up midterm test is not allowed in this course. For students who cannot write a regularly scheduled test due to illness and have valid doctor's note (approved by the instructor), the weight of the test will be shifted to their final exam. Students must report to the instructor the reasons for not writing the midterm exam prior to the exam date or immediately after the exam.

(3) Final exam (55%):

Students must write the final exam to pass this course. The date for the final exam is determined by the Registrar's Office. The final exam period for Fall Term 2011 is December 8 to December 22. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time.

Lecture Topics:

PART 1: INTERNATIONAL TRADE THEORY

Chapter 1: Introduction

Chapter 2: World Trade: An Overview

Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model

Chapter 4: Specific Factors and Income Distribution

Chapter 5: Resources and Trade: The Heckscher-Ohlin Model

Chapter 6: The Standard Trade Model

Chapter 7: Economies of Scale and the International Location of Production

Chapter 8: Firms in the Global Economy: export Decisions, Outsourcing, and Multinational Enterprises

PART 2: INTERNATIONAL TRADE POLICY

Chapter 9: The Instruments of Trade Policy

Chapter 10 : Political Economy of Trade Policy

Chapter 11: Trade Policy in Developing Countries (in brief)

PART 3: EXCHANGE RATES and OPEN ECONOMY MACROECONOMICS

Chapter 14: Exchange Rate and Foreign Exchange Market: An Asset Approach

Outline for ECON231, Section 001, Fall2011

There might be slight changes to this outline as the course progresses and will be announced accordingly.

Date	Lecture Topics	Chapters Covered for Tests	Question Type
Sept. 12	Course Overview		
Sept. 14	Chapter 1 & Chapter 2		
Sept. 16	Chapter 3		
Sept. 19	Chapter 3		
Sept. 21	Chapter 3		
Sept. 23	Chapter 4		
Sept. 26	Chapter 4		
Sept. 28	Chapter 4		
Sept 30	Chapter 5		
Oct 3	Quiz 1 (10%)	Chapter 2,3 & 4	Multiple Choice Questions
Oct 5	Chapter 5		
Oct 7	Chapter 5		
Oct 10	Thanksgiving Holiday		
Oct 12	Chapter 6		

Oct 14	Chapter 6		
Oct 17	Chapter 6		
Oct 19	Chapter 7		
Oct 21	Chapter 7		
Oct 24	Chapter 7		
Oct 26	Chapter 8		
Oct 28	Chapter 8		
Oct 31	Midterm Exam (25%)	Chapter, 5, 6 & 7	Short Questions
Nov 2	Chapter 8		
Nov 4	Chapter 8		
Nov 7	Chapter 9		
Nov 9	Chapter 9		
Nov 11	Chapter 9		
Nov 14	Chapter 10		
Nov 16	Chapter 10		
Nov 18	Chapter 10		
Nov 21	Chapter 11		
Nov 23	Chapter 14		
Nov 25	Quiz 2 (10%)	Chapter 8, 9 & 10	Multiple Choice Questions
Nov 28	Chapter 14		
Nov 30	Chapter 14		
Dec 2	Review for Final Exam		
Dec 5	Review for Final Exam		
<p>Final Exam (55%), (Date set by the registrar's office)</p> <p>[All the materials covered in class will be tested]</p> <p>Multiple Choice Questions & short questions</p>			

Special Notes on Academic Integrity, Grievance and Discipline:

Academic Integrity: in order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offenses, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, **(including writing examinations in a section that you are not registered in)**, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>.

Academic Integrity website (Arts):

http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (UW): <http://uwaterloo.ca/academicintegrity>

Note for students with disabilities: The Office for Persons with Disabilities (OPD), located in NH1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Department Grade Revision Policy A grade in any ECON course may not be changed if 12 or more months have elapsed since the grade was awarded.

Deferred Final Economics Exam Normally, a student who has been ill (documentation required) and missed the scheduled final exam **MUST** petition the Department of Economics Undergraduate Office within 48 hours to write the Departmental Deferred Examination. If the student has failed to write the Departmental Deferred Examination, the student will automatically receive a grade of 0% for the missed deferred final examination. Please download and fill out the **Special Deferred Exam Request Form** and attach the supporting documentation before submitting to the Instructor for **departmental** approval. Due to illness on the day of the exam (and not that you are unprepared), you are given the deferred privilege. Please be ready to write the deferred exam on short notice.

[Final Deferred Exam Request Form](#)