Instructor: Fiona T. Rahman

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Lecture hours: 10:30 am – 11:20 am, MWF in PAS2083
Office Hours: Friday, 2:00 – 3:00 pm (Other times by appointment only)

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.


Supplements (MyEconLab and study guide) to this text are optional.

Textbook Website: http://www.aw-bc.com/krugman/

Recommended Readings:

Lecture Notes:
Lecture slides and Problem sets will be posted to  http://learn.uwaterloo.ca at 1129 -Fall2012 - ECON231 Introduction to International Economics
Useful Websites:
1. The World Trade Organization (multilateral trade negotiations, dispute settlement, trade policy reviews, trade barriers, and international trade data) http://www.wto.org
5. Trade Related Blogs:
   http://rodrik.typepad.com/ (Dani Rodrik)
   http://economistsview.typepad.com/ (Mark Thoma)

Evaluation: Two in-class quizzes, a midterm and a final examination.

(1) Quizzes (20%):

Quiz 1 (10%):
Date: October 1, Monday;
Time: (During Lecture Hours)
Topics: TBA
Question Type: Only multiple choice questions

Quiz 2 (10%):
Date: November 26, Monday
Time: (During Lecture Hours)
Topics: TBA
Question Type: Only multiple choice questions

(2) Midterm Test (25%):

Date: October 29 (Monday),
Time: 10:30 am - 11:20 am,
Location: TBA
Topics: TBA
Question Type: Multiple choice questions and short-answer questions

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%): 

Question Type: Multiple choice questions and short-answer questions

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 2012 is December 6 to December 20. 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

Time permitting we will discuss some other interesting trade related topics.

Articles of Interest:

1. The East India Companies, The Economist; Dec 23rd 1999
2. Falling world trade: Going under A dramatic fall in world trade could be made much worse by protectionism; The Economist; Mar 24th 2009
3. Finding your niche: The discovery of poor countries' industrial strengths is a matter of trial and error; The Economist; Feb 27th 2003
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** You are very strongly encouraged to write your final examinations at the scheduled time and place. If you have compelling evidence that you are unable to write a final examination at the scheduled time then follow this procedure.
Note that a legitimate but crowded final examination schedule is NOT a reason to defer a final examination.

1. Print and complete the Deferred Final Examination request form on the economics department's web site dated July 2012. Please note that this form is different from the March 2012 form.

2. Submit the completed form and all necessary documentation to the economics department Undergraduate Program Assistant in HH-214 within three (3) business days of the scheduled examination you missed; electronic submissions will not be accepted. And, do NOT submit your request to your instructor. As a courtesy to your instructor you may email her/him to tell her/him that you are submitting a request for a deferred final examination.

3. If you miss more than one final examination in your economics courses, repeat this procedure for each economics final examination you did not write.

4. Read the Registrar's policy on accommodation due to illness at:

   http://www.registrar.uwaterloo.ca/students/accom_illness.html

   Note that this policy refers to a different form and gives you only 48 hours (not 3 business days) to submit your request. For an economics course use the Deferred Final Examination request form on the economics department's web site.

5. If your request is successful you will be informed at your UW email address of the day/time/place of the deferred final examination. If your request is unsuccessful you will be informed at your UW email address of the reason the request was rejected. Note that writing a deferred final examination is a privilege not a right.

6. The economics department will assume that you have received the message in item 5. If you have not received an answer to your request by the end of the first day of the next term, email econdefexam@uwaterloo.ca immediately. If you are given the opportunity to write a deferred final examination, you alone are responsible for writing this examination on the scheduled day and at the scheduled time and place.