University of Waterloo
Department of Economics

ECON231: Introduction to International Economics (Section 001)
Winter 2018

Monday, Wednesday & Friday; 12:30pm – 1:20pm; MC 2054

Instructor: Fiona T. Rahman
Office: HH162 Phone: 519-888-4567 Ext. 30174
Office Hours: Friday, 10:30am – 12:00noon (Other times by appointment only)
Email: ftrahman@uwaterloo.ca

Note:
• When sending email, “Econ231” must appear in the subject line and the message must include your full name and student ID number.
• Please use emails for administrative matters only. I will be available during office hours, or by appointment, to discuss course material.

Course Description:
The course provides a broad overview of International Economics with emphasis on International Trade Theory and Policy. The course is organized in three modules. The first module focuses on the theories explaining the patterns of international trade and their empirical relevance. The module also highlights the effects of international trade on income distribution. The second module focuses on trade policies, their rationale and economic consequences. In the third module, we study the foreign exchange market and macroeconomic policy under floating and fixed exchange rate regimes. In this module, we also discuss the international flow of financial assets in the world economy.

Prerequisites: Econ 101, 102.

Required Textbook:
MyEconLab and study guide that accompany this textbook are optional.

Other References:

Where to find this course outline:
This course outline is available at two locations for the duration of the term:
• Department of Economics website http://economics.uwaterloo.ca/courses
• LEARN web site (requires UW userid and password) http://learn.uwaterloo.ca
Readings Available on LEARN

• Lecture overhead slides and/or additional course materials will be posted on the LEARN web site http://learn.uwaterloo.ca (1181 ECON231 Winter 2018)
• The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared!
• Students writing test and exams are responsible to save course materials on LEARN before the access to their courses is shut off (normally on the first day of classes of the next term).

Course Requirement and Assessment:

The final grade for this course will be based on two midterm exams, an assignment and a final exam, which will be held during the Official Final Examination Schedule. The rooms assigned for the midterm exams will be announced in class and on LEARN. The breakdown is as follows:

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Date of Evaluation</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm 1</td>
<td>February 12, Monday, 12:30pm - 1:15pm</td>
<td>20%</td>
</tr>
<tr>
<td>Chapter 2, 3, 4 &amp; 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midterm 2</td>
<td>March 16, Friday, 12:30pm - 1:15pm</td>
<td>20%</td>
</tr>
<tr>
<td>Chapter 7, 8 &amp; 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assignment</td>
<td>Due March 26, Monday, In Class</td>
<td>10%</td>
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<tr>
<td>Final Exam</td>
<td>TBA</td>
<td>50%</td>
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<tr>
<td>(comprehensive)</td>
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</tbody>
</table>

Important Notices:

▪ The penalty for late assignment is 10% of the assignment per day. Students submitting identical assignments will be highly penalized. Assignment will not be accepted three days after the deadline.
▪ There is no deferred or make-up midterm tests. If you miss the test due to illness and have a valid medical documentation, then the weight of the test will be shifted to the final exam. Otherwise, a mark of zero will be given to the missed test.
▪ The final exam will be comprehensive. The date for the final exam is determined by the Registrar’s Office. The final exam period for Winter Term 2018 is April 9 to April 24. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time.
▪ To maintain a classroom environment that is conducive to learning, I expect the highest level of courtesy and professional behavior from every student. In particular, be punctual and turn off all audible ringers on phones and other electronic devices during class.
Course Outline

Module 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 7: Economies of Scale and the International Location of Production
Chapter 8: Firms in the Global Economy: export Decisions, Outsourcing, and Multinational Enterprises

Module 2: INTERNATIONAL TRADE POLICY

Chapter 9: The Instruments of Trade Policy
Chapter 10: Political Economy of Trade Policy

Module 3: EXCHANGE RATES and OPEN ECONOMY MACROECONOMICS

Chapter 14: Exchange Rate and Foreign Exchange Market: An Asset Approach
Chapter 15: Money, Interest Rates and Exchange Rates

Time permitting we will discuss current trade issues in the world economy.
## Tentative Weekly Schedule:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>• Introduction</td>
<td>Chapter 1 &amp; 2</td>
</tr>
<tr>
<td>Jan 3 &amp; 5</td>
<td>• World Trade: An Overview</td>
<td></td>
</tr>
<tr>
<td>Week 2</td>
<td>• World Trade: An Overview</td>
<td>Chapter 2 &amp; 3</td>
</tr>
<tr>
<td>Jan 8,10 &amp; 12</td>
<td>• Labor Productivity and Comparative Advantage: The Ricardian Model</td>
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</tr>
<tr>
<td>Week 3</td>
<td>• Labor Productivity and Comparative Advantage: The Ricardian Model</td>
<td>Chapter 3 &amp; 4</td>
</tr>
<tr>
<td>Jan 15, 17 &amp; 19</td>
<td>• Specific factors and Income Distribution</td>
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</tr>
<tr>
<td>Week 4</td>
<td>• Specific factors and Income Distribution</td>
<td>Chapter 4 &amp; 5</td>
</tr>
<tr>
<td>Jan 22, 24 &amp; 26</td>
<td>• Resources and Trade: The Heckscher Ohlin Model</td>
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</tr>
<tr>
<td>Week 5</td>
<td>• Resources and Trade: The Heckscher Ohlin Model</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>Jan 29, 31 &amp; Feb 2</td>
<td>• External Economies of Scale and the International Location of Production</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>Week 6</td>
<td>• Review for midterm</td>
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</tr>
<tr>
<td>Feb 5, 7 &amp; 9</td>
<td>• Firms in the Global Economy: Export Decisions, Outsourcing and Multinational Enterprises</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>Midterm 1: Feb 12</td>
<td>• The Instruments of Trade Policy</td>
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<tr>
<td>Week 8</td>
<td>• The Instruments of Trade Policy</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>Feb 26, 28 &amp; Mar 2</td>
<td>• The Political Economy of Trade Policy</td>
<td>Chapter 10</td>
</tr>
<tr>
<td>Week 10</td>
<td>• Exchange Rate and Foreign Exchange Market: An Asset Approach</td>
<td>Chapter 14</td>
</tr>
<tr>
<td>Mar 12, 14 &amp; 16</td>
<td>• Money, Interest Rates &amp; Exchange Rates</td>
<td>Chapter 15</td>
</tr>
<tr>
<td>Midterm 2: March 16</td>
<td>• Assignment Due on March 26 (In class)</td>
<td></td>
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<tr>
<td>Week 11</td>
<td>• Review for Final Exam</td>
<td></td>
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<tr>
<td>Mar 19, 21 &amp; 23</td>
<td>• Friday schedule on Apr 4</td>
<td></td>
</tr>
<tr>
<td>Week 12</td>
<td>• Friday schedule on Apr 4</td>
<td></td>
</tr>
<tr>
<td>Mar 26 &amp; 28</td>
<td>• Good Friday</td>
<td></td>
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<tr>
<td>No class on March 30; Good Friday</td>
<td>• Assignment Due on March 26 (In class)</td>
<td></td>
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<tr>
<td>Week 13</td>
<td>• Review for Final Exam</td>
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<tr>
<td>Apr 2 &amp; 4</td>
<td>• Friday schedule on Apr 4</td>
<td></td>
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Examination Policy

Missing a Midterm Due to Illness During the Term
• Missing a midterm will automatically result in a grade of zero for that midterm. If the illness can be documented with a UW Verification of Illness Form (the only acceptable document), with approval you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right.
• The midterm exam schedule has been set and will not be changed for whatever reason.

Note that the weight for the assignment cannot be transferred towards your final exam if you fail to submit your assignment.

Missing the Final Exam Due to Illness
• Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. Please carefully read the Economics Department policy on deferred final exams for instructions. https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy
• No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.

Fee-Arranged Issues
• Students are responsible for administrative matters concerning their course registration including fee arrangements with the Registrar’s Office. No make-up work or other remedies will be given for loss of access to LEARN and academic consequences arising from administrative issues with the Registrar’s Office.

Electronic Device Policy
• **THIS IS A HANDHELD-DEVICE-FREE ZONE.**
• Turn off all handheld devices and put them away for the duration of the lecture.
• Laptop computers may only be used to view lecture material.
• Photographic devices are not permitted in class due to copyright and privacy issues.
• Audio or video recording devices are not permitted in class due to copyright and privacy issues.
Attendance Policy

• Class attendance is an integral part of the course. Although attendance is not marked, it is critical for understanding the course material. Students are responsible for all material covered in the course whether they choose to attend classes or not.

Classroom Protocols

• I do NOT lend my lecture notes to students for any reason.
• In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student. In particular, be punctual and turn off all audible ringers on all devices during class.
• As a courtesy to others, no eating in class please. If you have coffee, water, etc., please dispose of your garbage when you leave the classroom.
• No private conversations in class will be tolerated.

Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009

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. See the UWaterloo Academic Integrity Webpage (https://uwaterloo.ca/academic-integrity/) and the Arts Academic Integrity Office Webpage (http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility) for more information.

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 (https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). When in doubt please be certain to contact the department’s administrative assistant who will provide further assistance.

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. 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). For typical penalties check Guidelines for the Assessment of Penalties (http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm).
**Appeals**
A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72, Student Appeals (http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm).

**Note for Students with Disabilities**
The AccessAbility Services (AS) Office, located in Needles Hall, Room 1401, 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 AS Office at the beginning of each academic term.

**Mental Health Support**
All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

**On Campus**
- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 xt 32655
- MATES: one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

**Off campus, 24/7**
- Good2Talk: Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- Here 24/7: Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- OK2BME: set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS website
- Download the WatSafe app (https://uwaterloo.ca/watsafe/) to your phone to quickly access mental health support information

**Territorial Acknowledgement**
We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.

For more information about the purpose of territorial acknowledgements, please see the CAUT Guide to Acknowledging Traditional Territory (PDF).