

**University of Waterloo**  
**Department of Economics**  
**ECON 231, Introduction to International Economics**  
**Fall 2016**  
**Course Outline**

**Instructor:** Vivian Yang

**Office:** PAS 1049

**Phone:** 519-888-4567 Ext. 37073 (emails are preferred over voicemail messages)

**E-mail:** [vivyang@uwaterloo.ca](mailto:vivyang@uwaterloo.ca)

**Lecture Hours & Location:**

- Section 001: 11:30am -12:50pm T & TH, AL208
- Section 002: 10:00am -11:20am T & TH, AL208

**Office Hours and Office Location:** PAS 1049, T and TH1:00 – 2:30pm (Other times by appointments only)

**Course Description:**

This course is an introduction to international trade and international monetary economics. It helps students develop analytical methods and simple models in order to gain insights about international economic phenomena. The theoretical background is used as a basis to understand policy issues. The international trade part includes topics of patterns of international trade and production, different theoretical models of trade, gains from trade and government policies towards exports and imports. The international monetary economics part covers balance of payments, foreign exchange markets, theories related to the determination of foreign exchange rates and impacts of foreign exchange rates on trade.

The minimum objective for this course is that students acquire knowledge of the fundamental principles and issues in international economics. As such, students should be able to define basic terminology and identify and explain the key issues in international economics. Students should be able to address questions including but not limited to:

- What is the basis for trade?
- What are the effects of trade?
- How trade pattern is determined?
- Who will gain from trade?
- What factors impede trade flows?
- What is the impact of public policy that attempts to alter the patterns of trade?
- What is balance of payments and how it is related to trade deficit?
- What decides each country's exchange rate?
- How does change of foreign exchange rates affect international trade, domestic businesses and investment?

**Prerequisite**

- ECON101 (Introduction to Microeconomics); &
- ECON102 (Introduction to Macroeconomics)

**Email**

I may not always have access to voicemail. As such, email is a preferred way to reach me. I will try my best to respond as soon as I can. Please include "Econ 231" and your section # of "001" or "002" in the subject line.

**Required Textbook**

Krugman, R. Paul, Maurice Obstfeld & Marc J. Melitz: International Economics: Theory and Policy, 10 Edt. Pearson

MyEconLab and study guide that accompany this textbook are optional.

The lectures will roughly follow the textbook, but often will not cover every chapter. Conversely, lectures sometimes will go beyond what is covered in the text. Class notes and additional readings (if applicable) will be

posted on LEARN periodically.

### **Resources**

All supplementary course materials (readings, lecture slides/notes, assignments, announcements, etc.) will be posted on LEARN, <http://learn.uwaterloo.ca>

### **Grading**

<b>Evaluation</b>	<b>Percent of final grade</b>	<b>Date</b>	<b>Note</b>
Clicker questions	10%		
Four Online Assignments	20% (5% each)	Respectively, Oct 2, Oct 30, Nov 13 and Dec 4	Submitted by the end of the day on LEARN
Two Midterms	30% (15% each)	Respectively, Oct 18 and Nov 17	In class
Final Exam (Comprehensive)	40%	Scheduled by the Registrar	

### **Clicker Questions**

This course will be using the i>clicker student response system in class. i>clicker helps me to understand what you know and gives everyone a chance to participate in class.

#### ***i. Why are clickers used in this course?***

Quote from Wood's paper *Clickers: A Teaching Gimmick that Works*, describes advantages of using clickers in a large class for both students and instructors.

*“For the students:*

- o They are answering anonymously - no one has to worry about the possible humiliation of giving a "dumb" answer.*
- o Those who did not "get it" realize they are not the only ones. In a typical lecture situation, such students are often inhibited from asking a question by the belief "everyone but me probably understood."*
- o Those who apparently did not "get it" often find out the reason was not their lack of knowledge, but an unclear or ambiguous question from the instructor.*
- o Most important, the students are actively engaged with the topic at hand and, therefore, more likely to understand and retain it better than if they were only sitting passively and listening to the instructor.*

*For the instructor:*

- o S/he can later find out from the software which students are present and give credit, if desired, for in-class participation.*
- o S/he knows immediately, in real time, what fraction of the students didn't "get it," information that often does not become apparent in a standard lecture course until after the next exam, when it's too late to do much about it”.*

#### ***ii. Registration of your i>clicker***

Students are responsible for buying a clicker (first generation clickers or the new version of clickers both work), bringing it to every class and ensuring that the batteries work.

You must register your i>clicker in order to receive participation credit. I cannot match your answers to your name unless you register your i>clicker to your name using UW internal registration link

Below is an instruction of how to register your i>clicker from UW's i<clicker FAQ page.

*“To register your clicker in your LEARN course. You will find a link to the clicker registration page somewhere on the Content tab within the LEARN/D2L course.*

*Follow the instructions on this registration page to enter your clicker ID number (located on the back of the clicker) into the answer box.*

*If you replace your clicker then register the new clicker ID number in the same manner as above.*

*The clicker ID number is printed on the back of the clicker near the bottom, sometimes in very small type. An example is 12873CAB. Other numbers on the back like T24-RLR13 or 6495A-RLR13 are **not** clicker IDs. Clicker ID numbers sometimes use the numeral 0 (zero) or 1 (one), but never use the capital letter O (Oh) or lowercase letter l (el). Ask a fellow student or your instructor if you can't locate the clicker ID”*

Registration is only needed once. A single registration will work for all your clicker courses and all terms. Your registration on official clicker webpage is NOT going to work for our purposes. Please use the UW internal registration listed above for registering your i>clicker. FAQ for students about clickers can be found on the following link: <http://www.math.uwaterloo.ca/~pkates/CTE/clickers/clicker-student-faq.html#faq-register-what>

### **iii. Grading Policy**

Class participation will begin in the second week of classes **on September 20** and will **NOT** include the days of midterms and the last day of the class. The clicker grade considers both response rate (i.e., how many questions you have answered out of total questions asked) and performance (i.e., how many questions you have answered **CORRECTLY** out of total questions).

i>clicker grade will account for 10% of your overall grade for this course. To receive a full mark for the clicker grade, you will need to answer at least 75% of total questions asked (participation portion) and 40% of total questions correctly (performance portion). These percentages (75% and 40%) take into consideration of special situations (e.g., sick days or other conflicts and times you forget to bring your clicker to class). The following is a hypothetical example on how this grade is calculated.

#### *Example:*

Likely there will be 18 sessions overall with clicker questions through the semester and 3 or 4 questions for each session. Assume there are 60 clicker questions in total and you miss 4 sessions or 12 clicker questions (due to absence under various reasons) i.e., answering 48 clicker questions. Also assume out of the 48 questions, you answer 30 questions correctly. According to this, the percentage of response is 80% ( $=48/60$ ) and accuracy is 50% ( $=30/60$ ). As such, both the response percentage and accuracy are higher than the 75% and 40%, respectively. You receive a full mark for the 10% participation grade.

### **iv. Cheating**

I consider bringing a fellow student's i>clicker to class to be cheating and a violation of the **Academic Integrity**. If you are caught with a remote other than your own or have votes in a class that you did not attend, you will forfeit all clicker points and may face additional disciplinary action.

## **Assignments**

Your grade is based on your performance in learning fundamental models and results in international economics and applying them to real world issues. Four problem sets will be assigned. Each will be posted around one week prior to the due date on LEARN under “quizzes” of the “assessment” tab. No late assignments will be accepted. Feel free to work in groups as problem sets are supposed to be learning experiences. But each student must submit their own assignments online. Copying other students' answers without understanding the material, your exam performance will suffer.

As you will have one week to finish each assignment, being sick for certain period during the week is not an excuse

for missing the deadline, unless under special circumstances.

### **Midterms and Final**

The exams will be based on the class lectures. Therefore, attending classes and taking good notes is very important. Exam questions test your knowledge of concepts and ability to work through exercises. The exams have a mixture of multiple choice questions and problems requiring detailed solutions.

The midterms are in class and take the full lecture session, i.e., one hour and 20 minutes.

There are **no deferred or make-up midterm tests**. If you miss the midterm due to illness and have a valid medical documentation, the weight of the midterm will be shifted to the final exam. Otherwise, a mark of zero will be given to the missed test.

### **The final exam is cumulative and will be scheduled by Registrar's office. Economics Department**

Deferred Final Exam Policy can be found at <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>

Extra credits might be given in class without notice. The number of extra credits depends on class progress and average performance in midterms.

## Tentative Course Outline

\*The final delivery of the topics and time below may change due to class ability and interest in the lecture materials.

# of week	Week of	Class Date	Topic categories	Topic	Chapters from the textbook	Midterm and Assignments during the week	
0	Sept 5 to 9, 2016	Sept 8 (Th)	International Trade Theory	Introduction	Chapter 1 and Chapter 2		
1	Sept 12 to 16, 2016	Sept 13 (T)		Introduction (cont'd)	Chapter 3		
		Sept 15 (Th)		Labor Productivity and Comparative Advantage: the Ricardian Model			
2	Sept 19 to 23, 2016	Sept 20 (T)		Ricardian Model (cont'd)			
		Sept 22 (Th)		Ricardian Model (cont'd)			
3	Sept 26 to 30, 2016	Sept 27 (T)		Resources and Trade: the Heckscher-Ohlin Model	Chapter 5	Assignment 1 due by the end of Oct 2 (Sunday)	
		Sept 29 (Th)		The Heckscher-Ohlin Model (cont'd)			
4	Oct 3 to 7, 2016	Oct 4 (T)		The Heckscher-Ohlin Model (cont'd)			
		Oct 6 (Th)		The Heckscher-Ohlin Model (cont'd)			
5	Oct 10 to 14, 2016	Oct 11 (T)		Study Day, No class	N/A		
		Oct 13 (Th)	External Economies of Scale and the International Location of Production	Chapter 7 and Chapter 8			
6	Oct 17 to 21, 2016	Oct 18(T)	No lectures, Midterm 1 in class			Midterm 1 in class	
		Oct 20(Th)	External Economies of Scale and the International Location of Production (cont'd)				
7	Oct 24 to 28, 2016	Oct 25 (T)	International Trade Policy	The Instruments of Trade Policy and Political Economy of Trade Policy	Chapter 9 and Chapter 10	Assignment 2 due by the end of Oct 30 (Sunday)	
		Oct 27 (Th)		The Instruments of Trade Policy and Political Economy of Trade Policy (Cont'd)			
8	Oct 31 to Nov 4, 2016	Nov 1 (T)		The Instruments of Trade Policy and Political Economy of Trade Policy (Cont'd)			
		Nov 3 (Th)		The Instruments of Trade Policy and Political Economy of Trade Policy (Cont'd)			
9	Nov 7 to 11, 2016	Nov 8 (T)		Exchange Rates and Open Economy Macroeconomics	Balance of Payments, Foreign Exchange Markets and Asset Approach of Foreign Exchange Determination	Chapter 13 and Chapter 14	Assignment 3 due by the end of Nov13 (Sunday)
		Nov 10 (Th)			Balance of Payments, Foreign Exchange Markets and Asset Approach of Foreign Exchange Determination (Cont'd)		
10	Nov 14 to Nov 18, 2016	Nov 15 (T)	Balance of Payments, Foreign Exchange Markets and Asset Approach of Foreign Exchange Determination (Cont'd)				
		Nov 17 (Th)	No Lectures. Midterm 2			Midterm 2 in class	
11	Nov 21 to Nov 25, 2016	Nov 22 (T)	Balance of Payments, Foreign Exchange Markets and Asset Approach of Foreign Exchange Determination (Cont'd)				
		Nov 24 (Th)	Exchange Rate Determination: Purchasing Power Parity and Monetary Approach	Chapter 16			
12	Nov 28 to Dec 2, 2016	Nov 29 (T)	Exchange Rate Determination: Purchasing Power Parity and Monetary Approach (Cont'd)				
		Dec 1 (Th)	Final Review		Assignment 4 due by the end of Dec 4		

## **Academic Integrity**

**Academic Integrity:** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity webpage](#) and the [Arts Academic Integrity webpage](#) for more information.

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (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, 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](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

**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. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

**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](#).

## **Accommodation for Students with Disabilities**

**Note for students with disabilities:** The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (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.

## **Other sources of information for students:**

[Academic Integrity website \(Arts\)](#)

<https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour>

[Academic Integrity Office \(UWaterloo\)](#)

<https://uwaterloo.ca/academic-integrity/>