

University of Waterloo
Department of Economics
ECON231 Introduction to International Economics
Spring 2019

Section 001 TTh 11:30am – 12:50pm in AL208

Section 002 TTh 10:00am – 11:20am in AL208

I acknowledge that our classes meet on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised and given to the Six Nations extending six miles on each side of the Grand River.

Instructor Information

Instructor: Dr. Barb Bloemhof

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Office Hours: Tues & Thurs 2pm-3:00pm or by appointment arranged by email

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Please include Econ231_001 or Econ 231_002 as subject line and use your UWaterloo account

Course Description

This course explores international trade in goods and services, as well as the international exchange of financial assets. Economic theories will be examined, which help explain how international transactions affect the world's economies. Topics include the theory of comparative advantage and the gains from trade, tariff theory, concepts and measurement of balance of payments, exchange rate systems, and the international monetary system.

Prerequisites

ECON101 or ECON100/COMM103; ECON102

Course Goals and Learning Outcomes

At the end of this course, students will be able to:

- A. Explain and apply the workhorse models of international economics used to predict the patterns of global exchange of products and services, including movements of real and financial assets;
- B. Predict qualitatively who gains and who is harmed by a variety of international economic policies and ways of organizing among countries, including freer trade and investment policies;
- C. Use quantitative techniques to evaluate the impact of tariffs, subsidies, and government debt on international economic equilibria;

- D. Read and respond to assertions about international phenomena and unilateral/multilateral policies;
- E. Assess, examine, and critically evaluate the activities of extra-national institutions such as the World Trade Organization, the International Monetary Fund, and the World Bank; and
- F. Recognize, define, and reflect critically on the use of the rhetoric of economics in understanding how the international economy works, including the limits of knowledge in this area.

Required Textbook

Krugman, R. Paul, Maurice Obstfeld, and Marc J. Melitz. 2018. *International Economics: Theory and Policy* (11th ed.). New York: Addison-Wesley, an imprint of Pearson Publishers, 2018. (This is an e-textbook; MyEconLab use is optional.)

The required textbook is the main resource for the course. **Additional required texts and readings** will be posted from time to time through the University of Waterloo [LEARN](#) classroom space. Additional information about the course and how to do well in it is posted periodically on LEARN, including additional required readings, course materials and announcements about assessments. In particular, the content covered in midterms will be provided on LEARN. Please connect to LEARN regularly (ideally before class, and at least weekly) to ensure that you are up to date.

Supplemental Texts

Feenstra, C. Robert, and Alan M. Taylor. 2011. *International Trade*. New York: Worth Publishers.

In addition, there are numerous web sites and resources that will be useful to learning that will be made available over the term

Evaluation and Assessment

Assessment	Date of Evaluation	Weighting
Mitem 1	June 4 (Week 5)	20%
Midterm 2	July 4 (Week 9)	20%
In-Class writing assignments	May 28 (Week 4)	10%
	June 25 (Week 8)	10%
Final Examination	TBA Registrar scheduled	40%
Total		100%

NOTE: See below for policy regarding missed assessments.

Assessments

The examinations in this course will include both multiple choice questions and short answer questions. The rooms for midterm examinations will be confirmed on LEARN. The final examination is comprehensive and covers all material in the class equally,

regardless of whether that material has been covered in an earlier midterm examination. The final exam period is from August 2 to August 16 inclusive. Students are expected to be available during this time; no changes will be made to accommodate travel plans.

In-class Writing

There are two in-class writing opportunities during the term. The assignment will be posted on LEARN a few days before the assessment, to provide you with time to prepare. You will be permitted to bring in a hand-written outline and/or hand written notes (absolutely NO printed outlines or notes will be allowed), printed copies of complete journal articles from scholarly sources, and your textbook (if you are using an e-textbook, you will be permitted to bring in a laptop to access it; any other use of electronic devices will constitute academic misconduct and result in zero for the assignment). You will use these materials to write critically for 80 minutes about the previously provided assignment.

Policy for Missed Assessments

Assessments must be written in the time indicated on the [Evaluation and Assessment](#) schedule. There are no “make-ups” for work missed due to absence. Missed assessments will receive a grade of 0%. An exception will be made for university-accommodated religious holiday or documented emergency or illness (using the [Verification of Illness Form](#)), in which case the weight of the missed assessment will be transferred to the final examination. For detailed information regarding missed final examinations, visit the Economics Department’s [web page](#) on deferred examinations.

Attendance:

Attendance is not mandatory in this class; however, students who attend class are expected to work together and share ideas collaboratively and without disruptive use of technology (see below). The classroom is the most productive place to learn about the course expectations and content, and to ask questions and clarify understanding. If you miss class, these opportunities will not be repeated in email communication or in office hours; it will be up to you to backfill any of these subtle benefits that you have missed.

Electronic Device Policy

We will use pens/pencils and paper for in-class writing. Laptops may be used for note taking alone. Basically, any use of electronics that supports your learning is acceptable; however, other uses of electronic devices (such as for messaging or arranging meetings) are prohibited during the 80-minute blocks of time that are our main learning asset.

Peer feedback

In this class you will have opportunities to receive and provide peer feedback.

Course Schedule

I reserve the right to make changes to the schedule, which I shall announce on LEARN.

Week	Date	Topic	Readings Due
1	May 7 & 9	Introduction; Ricardo the gains from trade	Ch 1 (skim), 2 & 3
2	May 14 & 16	Ricardo & distribution of income; intro to diagramming gains from trade	Ch 4
3	May 21 & 23	HOS model	Ch 5; additional reading on LEARN
4	May 28 & 30	In-Class writing 1; Standard trade model	Ch 6
5	June 4 & 6	Midterm 1 in class external economies	Ch 7
6	June 11 & 13	Global perspectives on trade	Ch 8
7	June 18 & 20	Why care about international finance?	reading on LEARN
8	June 25 & 27	In-Class writing 2; Balance of payments	Ch 13
9	July 4	Midterm 2 in class	(none)
10	July 9 & 11	Exchange rates	Ch 14
11	July 16 & 18	Money, interest rates & e-rates	Ch 15
12	July 23 & 25	Price levels	Ch 16
	July 30	Review class	

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 are expected to promote honesty, trust, fairness, respect and responsibility. See the [Office of Academic Integrity webpage](#) and the [Arts Ethical Behaviour webpage](#) for more information.

Discipline

You are expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. Check [the Office of Academic Integrity](#) for more information. 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

The University of Waterloo has a longstanding commitment to support the participation in and access to university programs, services, and facilities by persons with all types of disabilities. The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (NH 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.

Integrity Checking Software

Turnitin.com: Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is fully and properly documented. Turnitin® stores the submitted assignment on a server in the United States and is subject to potential review. If you do not want to have your assignment screened by Turnitin®, you have the option to submit your work in progress to me followed by a meeting in which you demonstrate first-hand knowledge of the material used in the assignments. In this course, you will also be able to view the Turnitin® report of one draft of your assignment, which should be submitted early so that you have time to interpret the originality report and make the needed changes.

Academic Freedom at the University of Waterloo:

[Policy 33, Ethical Behaviour](#) states, as one of its general principles (Section 1), “The University supports academic freedom for all members of the University community. Academic freedom carries with it the duty to use that freedom in a manner consistent with the scholarly obligation to base teaching and research on an honest and ethical quest for knowledge. In the context of

this policy, 'academic freedom' refers to academic activities, including teaching and scholarship, as is articulated in the principles set out in the Memorandum of Agreement between the FAUW and the University of Waterloo, 1998 (Article 6). The academic environment which fosters free debate may from time to time include the presentation or discussion of unpopular opinions or controversial material. Such material shall be dealt with as openly, respectfully and sensitively as possible." This definition is repeated in Policies 70 and 71, and in the Memorandum of Agreement, Section 6.