

Wake Forest University
Economics 351-B, Spring 2024
International Trade

General Information:

Professor: John T. Dalton

Lecture: TR, 2:00 pm – 3:15 pm, 108 Kirby Hall

Office: 204 Kirby Hall

Office Hours: Tuesday 4:00 pm – 5:00 pm

Thursday 4:00 pm – 5:00 pm

By Appointment (Monday, Wednesday, and Friday reserved for research)

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I will respond to emails within 24 hours during the week, Monday through Friday.

Course Description:

Economics 351 develops the basic theoretical tools used by an economist to study the patterns of international trade. Examples of issues covered by the course include trade theory, trade restrictions, and trade policy. We will give increasing emphasis to applications as the course evolves.

Prerequisite:

Economics 205 is required for this course. You must have this prerequisite completed successfully *before* taking this course.

Text:

International Economics, 9th Edition by Dennis Appleyard and Alfred Field, McGraw-Hill, is the text for this course. Everyone is expected to have a copy of the text and to come to class already having read the lecture's corresponding chapters. A suggested reading schedule is attached below.

Note: *International Economics* contains chapters on international finance we will NOT be covering in this course. WFU's Bookstore carries a custom-made reader of the chapters of the text. The custom-made reader costs significantly less than the full price of the text. You may also consider buying a used copy of the 7th or 8th edition as well, but these will not be available at WFU's Bookstore.

In addition to the attached reading schedule, extra materials may be posted on the course website or handed out in class. You will be made aware of these readings during lecture as the need arises.

Course Requirements:

There will be one midterm, one final, one group lecture, and one organized debate. Dates are given in the calendar below. There will be no makeup for any missed assignment. If you have

documented special circumstances (i.e. illness), your final exam score will count for the missed assignment. You are responsible for material covered in lecture as well as the assigned readings.

There will be one scheduled extra credit opportunity. Throughout the semester, I will introduce a “Book of the Week” at the beginning of each week. If you so choose, you may write a book report on one of the books to receive 5 extra credit points on your final exam. You may only earn extra credit one time. The book report should be two pages with the normal formatting, i.e. single spaced, 12-point font, standard margins, etc. The book report extra credit is due on the last day of class.

Grading:

Classroom Participation	5%
Midterm	25%
Final Exam	35%
Group Lecture	25%
Debate	10%

Approximate grading scale:

- 95%-100% A
- 90%-94% A-
- 87%-89% B+
- 84%-86% B
- 80%-83% B-
- 76%-79% C+
- 73%-75% C
- 70%-72% C-
- 67%-69% D+
- 64%-66% D
- 60%-63% D-
- 0%-59% F

Grades may be curved.

If you disagree with the grading of an exam, you may submit it for my review. I will expect you to have a *written argument* for why you should be awarded more points, and you must submit it to me within one week of receiving back the exam. It will be re-graded, and your grade may increase, stay the same, or decrease. The only exception to this rule is an accounting error on my part.

Tentative Course Schedule:

Week	Class	Reading	Assignments
1	Introduction	Ch 1	
2	Early Theories and the Classical Model	Ch 2,3,4	
3	Neoclassical Theory	Ch 5, 6	
4	Offer Curves and Terms of Trade	Ch 7	

5	Heckscher-Ohlin	Ch 8, 9	
6	Intra-Industry Trade and Other Theories	Ch 10	Midterm1, Thurs, Feb 22
7	Trade Policies	Ch13,14	
8	Trade Policies	Ch13,14	
Mar 11-15	Spring Break		
9	Political Economy of Trade Policies	Ch15,16	
10	Battle in Seattle		
11	Economic Integration	Ch 17	Debate, Thurs, Apr 4
12	Trade and the Developing World	Ch 18	Rough Draft Group Lectures, Apr 10-11, 5-8pm
Apr 18 - Apr 25	Group Lectures		
15	Class Review		Book Report Extra Credit, Tues, Apr 30
Fri, May 10	FINAL, 9:00am-12:00pm		

Group Lecture:

Each group must choose a different country and complete a 35 minute lecture on a trade topic related to that country. The main purpose of this assignment is for you to analyze trade data from your chosen country. Groups and countries will be assigned during the first month of class. Each group is responsible for making presentation slides for their lecture and a 1-2 page handout summarizing their lecture's key contributions. The lectures must first be presented to me in the form of a practice lecture, similar to a first draft of a paper. Practice lectures will be scheduled during the first month of class when groups and countries are assigned.

The following information should give an idea of the type of work to be presented in each lecture. The six items below represent a sufficient, but not necessary, list of topics that must be addressed in order to receive a passing grade. Each group is encouraged to use their own creativity to go beyond this sufficient format and create their own format/lecture topic. I will be available to discuss possible lecture topics.

Each topic should be analyzed and at least **ten years** of data analysis and explanation of any significant changes are expected. Data reporting is not itself sufficient. You must discuss the observed trends and provide an explanation/intuition.

- 1) What are the major effects of current trends in international trade on this country's domestic economy? What are the major international trade issues related to this country's current economic situation? You may analyze issues involving trade disputes, commercial policies, preferential trade arrangements, etc. (10 points)

- 2) How important is international trade to this country? You may report the volume of international trade (exports + imports in goods and services) relative to its GDP and its balance of trade or current account balance, and then analyze how/why they have changed over the time period of your study. (10 points)
- 3) Who are this country's major trading partners? You may discuss the top five countries (importers/exporters) and their interactions with your chosen country. (10 points)
- 4) What constitutes the majority of international trade in this country? What are its major export and import commodities? You may discuss the top five commodities (imported/exported) and provide explanation for your country's trade patterns. (10 points)
- 5) What trade restrictions are currently used? Why? You may report tariff rates, quotas, or other commercial policies on major export and import commodities. Is this country a WTO member? If so, how have its trade barriers changed since its accession to the WTO? Was your country an important player in the latest Doha negotiations? How? (10 points)
- 6) Suggestions for improving trading practices. (10 points)

Slides and handouts must include tables, charts, or graphs. You must use a variety of resources and cite them properly. You may use academic journals, popular magazines (The Economist, etc.), and/or reports from various institutions (the country's central bank, the country's Ministry of Commerce/Trade, the IMF, the World Bank, etc.). A suggested list of data sources is available on the class website, but this list is only a sample of possible sources.

Grades for the group lectures will be determined by 1) the quality of the handout and presentation slides; 2) the substance, argument, organization, and clarity of the material presented; 3) the originality and extent of data presented; and 4) the overall presentation skills of the group. I will consider each individual's effort when assigning grades.

The grade on the final lecture roughly breaks down as follows:

1. Sufficient content (60 points as shown above),
2. More than sufficient content (20 points defined as ???), and
3. Overall presentation (20 points).