

INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE
DEPARTMENT OF ECONOMICS

International Trade/International Economics

Course Number	: BUFW E580/ECON E430	Instructor	: Myeong Hwan Kim
Credit Hours	: 3	Office	: Neff Hall, 340H
Class Meeting	: MTR (5:30-7:50 pm)	Telephone	: 1.260.481.6466
Location	: KT 227	E-Mail	: kimm@ipfw.edu
Office Hours	: MTR (12:20pm-12:50pm & 5:00pm-5:30pm) and by appointment		

1. Course Objectives

This course is designed to introduce students to the theory of international trade, and to apply that theory to current international activities in the area of international economics. International economics can be divided into two broad subfields: the study of international trade and the study of international money. International trade analysis focuses primarily on the real transactional economy, that is, on those transactions that involve a physical movement of goods or a tangible commitment of economic resources. International finance focuses on the monetary side of international economy, that is, on financial transactions such as foreign purchases of U.S. dollars. Throughout this course, the focus is on two simultaneous themes: international trade theory and its application to international problems; and the interaction between economic theories and the political arena.

2. Required Readings

Textbook:

- Dominick Salvatore, International Economics, 9th eds. (Publisher: Wiley, ISBN-10: 0471794686, ISBN-13: 978-0471794684)

3. Evaluation of Work/Grading Policy

Grade will be based upon completion of the following: first examination; second examination; and final examination. The final course grade will be based on the following:

Exam #1	: 33.33%	Scale	90 -100% = A
Exam #2	: 33.33%		80 - 89% = B
Final Exam	: 33.33%		70 - 79% = C
			60 - 69% = D
			0 - 59% = F

Tests (Quizzes and Exams)

The tests will not be easy, and will surely require extensive study. Quizzes will be given during the semester (if there are) - their purpose is to keep you up to date in your studying. If you are not present for a quiz or a scheduled examination, you will not be excused unless you submit an approved third-party official document. The date for the midterm exams will be given in class. It is impossible to make two examinations which are comparable in coverage and difficulty but essentially different. For this reason, requests to take special examinations (early or late) will be granted only in exceptional circumstances that are beyond the control of a student (e.g., serious illness, university business, a death in the family). I expect you to contact me the day of the examination or before the examination if you must miss an exam or quiz for any reason.

Third-Party Official Document Policy

The following policy applies to all excused absent:

- After the missed class period, documentation is required for an excused absence.

- The document should contain your name and date (or period) of absence.
- It is the student's responsibility to request excuse and document absence.
- Student need to present third-party official documents which show that there was a compelling reason (e.g., a medical emergency, a doctor's note, a death in the family, jury duty, call up for military service, police report) for your absence.
- I do not accept nor acknowledge e-mail notification.
- The official documents need to be provided within a reasonable period of time (NO documents will be accepted after one week) and/or before the final examination if the date of absence is the last week of the semester.
- The submission of falsified documents will be grounds to expel the student from the class.

Late & E-mailed Assignments

Late and/or e-mailed assignments will not be accepted unless prior arrangements have been made with the Instructor and because of extreme circumstances (Not coming to class, or forgetting, doesn't rate as an extreme circumstance.).

No "Extra Credit" Work

Students sometimes ask for some extra credit work near the end (or middle) of the semester in an attempt to bring up poor grades. No extra credit work will be given to any student on an individual basis.

Grades via E-mail

Because of the large number of students in each class, instructor will not be able to reply to individual e-mail requests for exam and/or class grades at the end (or middle) of the semester.

Contesting a Grade

If you wish to contest your grade on any work you complete for this class, please do so within one week after the assignment is returned. To contest your grade, contact me to schedule an appointment within one week of receipt of the grade. At the conference, bring the assignment (if it was returned to you) and any other documentation that may support your case. Appeals will not be heard unless you have scheduled an appointment with me within the one-week time frame following receipt of the grade.

4. Expectations

The student has read the material before coming to class. The class session should not serve as the student's first encounter with the material. The class session is a time to clarify and analyze the material. The instructor will assume that the student has an adequate grasp of algebra which is crucial to an understanding of the economic models to be used. Many economics courses, familiarity with graphical analysis is a must. That the student will actively participate in class discussions in the form of questions, answers and comments is strongly encouraged, and will count towards the student's final grade. I also hope that each of you will contribute significantly to our class discussions and group work. Be prepared to ask questions, raise concerns and demonstrate your thinking skills.

5. Attendance Policy

Students take responsibility for their learning. It is expected that students attend all scheduled classes during the time indicated in the Schedule of Classes for your section. I also expect you to arrive on time and stay for the entire class period. If you must leave class early, please let me know in advance, and then to sit as near the door as possible and leave quietly. Please remember that late arrivals and early departures distract other students (not to mention your instructor), and hinder your progress in the course. If you are not in class at the scheduled time for your section of the class, it is difficult for the instructor to provide you with timely feedback and other information about your work. If you miss a class, you are still responsible for all material covered and any assignments given. Instructor will answer specific questions but instructor will not re-teach any lesson. It is your responsibility to do the readings and come prepared to listen to the lecture.

6. Institutional Policies and Procedures

In all respects, the policies of the Department, School, IPFW and the University shall be applied in this course.

ADA Policy

Students with documented physical, learning, psychological and other disabilities are entitled to receive reasonable accommodations. If you need classroom or testing accommodations, please contact the Office of Services for Students with Disabilities (Walb Union, Room 113, 481-6657). The SSD will provide forms verifying the need for accommodation. As soon as the instructor receives the form, you will be provided with the appropriate accommodations. Students are encouraged to request accommodations as close to the beginning of the semester as possible.

Disruptive Behavior

Students who exhibit behaviors which are considered to obstruct or disrupt the class or its learning activities will be considered Disruptive Behavior. Behaviors which are considered to be inappropriate in this classroom include refusing to stay seated during class, sleeping, eating, coming in late, companions, interrupting others, talking, inappropriate behavior during group work, verbal behavior that is disrespectful of other students or the instructor, or others that may be disruptive. Students who exhibit such behavior will be given a verbal warning by the class instructor, then will be given a written warning in a meeting with the chair of the Department/Division, and then will be subject to disciplinary procedures.

Academic Dishonesty

Students are expected to maintain the highest standards of honesty in their college work. Cheating, forgery and plagiarism are serious offenses, and students found guilty of any form of academic dishonesty are subject to disciplinary action. Any form of academic dishonesty is prohibited. Incidences of violation of academic integrity will result in a grade of F for the course, dismissal of the student from the course and may lead to additional actions. Students are expected to be familiar with and adhere to the university policies with regard to academic dishonesty. These policies can be found on <http://www.ipfw.edu/academics/regulations/honesty.shtml>.

Cell Phone & Computer

Cell phone is NOT allowed in the classroom. A cell phone violation will cause your cell phone to be detained until you leave the classroom. Your cell phone needs to be out of sight and turned off. Other than note taking, no activities such as surfing the Internet, playing computer games, typing a paper, etc. is allowed in the classroom. You should disconnect the wireless network from your computer. Any violation will cause your attendance credit to be 0 for that day and you will be asked to leave the classroom.

7. Course Outlines (Tentative: The instructor reserves the right to modify the syllabus during the course of the term.)

1. The Law of Comparative Advantage
 - 1) The Mercantilists
 - 2) Trade Based on Absolute Advantage (AA)
 - 3) Trade Based on Comparative Advantage (CA)
 - 4) The Opportunity Cost Theory
 - 5) Empirical Tests of the Ricardian Model
2. The Standard Theory of International Trade
 - 1) Increasing Opportunity Cost
 - 2) Equilibrium
 - 3) Small Country Case

- 4) Gain from Exchange and from Specialization
3. Demand and Supply, Offer Curves, and Terms of Trade
 - 1) The Equilibrium-Relative Commodity Price with Trade
 - 2) Partial Equilibrium
 - 3) Reciprocal Demand Curve
 - 4) The Offer Curve of a Nation
 - 5) Equilibrium: TOT
 - 6) The Small Country Case
 - 7) Extension and Evaluation of Our Trade Model

Exam #1

4. Factor Endowment and the Heckscher-Ohlin Theory
 - 1) Assumptions of the Theory
 - 2) Heckscher-Ohlin Theorem
 - 3) Factor Price Equalization and Income Distribution
 - 4) Effect of Trade on Distribution of Income
 - 5) Factor Intensity Reversal
 - 6) Empirical Test on the H-O Theory
5. Economies of Scale, Imperfect Competition and International Trade
 - 1) Economics of Scale and International Trade
 - 2) Production Similarity Hypothesis
 - 3) Trade Based on Differentiated Products
 - 4) Trade Based on Technological Differences Among Nations
 - 5) Transportation Costs, Location of Industry and Environmental Standards
 - 6) Transportation Costs and the Location of Industry
 - 7) Environmental Standard and International Trade

Exam #2

6. Trade Restrictions
 - 1) The Tariff Concept
 - 2) Types of Import Tariff
 - 3) Who Pays the Tariff
 - 4) Partial Equilibrium Model
 - 5) Welfare Effect of the Tariff
 - 6) The Stolper-Samuelson Theorem
 - 7) General Equilibrium Model
 - 8) Tariff Retaliation
 - 9) The Effective Rate of Protection
7. Other Trade Restrictions
 - 1) Quota
 - 2) Comparison-Tariff & Quota
 - 3) Other Nontariff Trade Barriers
8. Economic Integration
 - 1) Trading Bloc
 - 2) Effects of Trading Bloc

Final Exam