

California State University, Sacramento
Department of Economics
Fall 2005

ECON 190: INTERNATIONAL TRADE

Instructor: Rossitza B. Wooster
Office: Tahoe Hall 3011
Phone: 916.278.7078
E-mail: wooster@csus.edu
Web site: <http://www.csus.edu/indiv/w/woosterr>

Class Meetings: AMD-240
MW: 2:00 – 3:15 pm
Office Hours: Tahoe 3011*
M: 11:30 am – 12:30 pm
T: 9:30 am – 11:30 am
*By Appointment

Syllabus

Course Objectives The objective of this course is to provide you with an intuitive and formal understanding of the basic issues in international trade. Our starting point will be the examination of traditional trade theory which we will relate to current world events whenever possible. Next we will focus on instruments of trade policy in an effort to understand both the demand for such policies and the challenges they pose for economic integration. The reality is that trade disputes, protectionism, and controversies surrounding the activities of multinational enterprises remain major challenges for global prosperity and the international flow of good and services. Thus this course aims to develop an appreciation for these issues by not only from the viewpoint of those who support free trade, but also from the perspective of interest groups (such as unions, politicians, businesses) for whom the gains from free trade may be neither immediate nor obvious.

Textbook International Economics, Robert J. Carbaugh, 10th Edition.

Assignments and Exams Your course grade will be based on five homework assignments, two midterm exams, and a final exam. The relative weights of each graded component are as follows:

- *Five homework assignments, each worth 10% of your course grade, will count toward 50% of your course grade.* I will hand out and grade six assignments throughout the semester – the assignment with the lowest score will be dropped. Assignments will be handed out a week in advance of the due date (see “Tentative Schedule” section for details). Answers to all homework questions must be typed out.
- *The two midterms are each worth 15%, and together comprise 30% of your course grade.*
- *The Final exam is worth 20% of your course grade.*

Grading Grades will *tentatively* be assigned according to the following point scale:

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| • A = 90 or higher | • B = 79 – 89 | • C = 65 – 79 |
| • D = 55 – 64 | • F = 54 and below | |

Policies

- The exams cannot be rescheduled or made up, so do not take the course if you cannot attend these exams at their scheduled times. The only exceptions to this rule are: (i) documented medical emergencies; and (ii) absence due to active military, police, and/or jury duty (need letter from the appropriate official).
 - If you arrive more than 20 minutes after the time an exam is scheduled to begin, you will not be allowed to take that exam.
 - Improving your grade through “extra work” is not an option in this class! In addition, an Incomplete (letter grade “I”) or a Withdrawal (letter grade “W”) is not to be viewed as a substitute for an “F”.
 - Students with documented learning disabilities or special needs, please contact me at least a week in advance of scheduled exams to make appropriate arrangements.
 - Familiarize yourself with CSUS academic honesty policies. Minimum penalty for academic dishonesty in this class will be letter grade “F” for the assignment or exam in question.
 - Turn off your cellular phone, beeper, pager, or any other communication device/PDA that may disturb, disrupt, or in any way impede the learning process during class meetings.
 - Attendance is strongly encouraged but not mandatory. If you miss class, it is your responsibility to find out what you missed, get notes from classmates, etc.
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Tentative Schedule

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| Week One 8/29/05-9/2/05 | <ul style="list-style-type: none"> ◆ The International Economy and Globalization ◆ <i>Reading Assignment:</i> Chapter 1. |
| Week Two 9/5/05-9/9/05 | <ul style="list-style-type: none"> ◆ Foundations of Modern Trade Theory: Comparative Advantage ◆ <i>Reading Assignment:</i> Chapter 2. ◆ No Class Monday, September 5th, 2005 – Happy Labor Day! |
| Week Three 9/12/05-9/16/06 | <ul style="list-style-type: none"> ◆ Foundations of Modern Trade Theory: Comparative Advantage ◆ <i>Reading Assignment:</i> Chapter 2. ◆ Homework No. 1 <u>DUE in class – Monday, Sept. 12th, 2005</u> |
| Week Four 9/19/05-9/23/05 | <ul style="list-style-type: none"> ◆ Sources of Comparative Advantage ◆ <i>Reading Assignment:</i> Chapter 3. |
| Week Five 9/26/05-9/30/05 | <ul style="list-style-type: none"> ◆ Sources of Comparative Advantage ◆ <i>Reading Assignment:</i> Chapter 3. ◆ Homework No. 2: <u>DUE in class – Monday, Sept. 26th, 2005</u> ◆ Midterm 1: Wednesday, Sept. 28th, 2005. <i>Please bring a scantron (Form No. 882-E)!</i> |
| Week Six 10/3/05-10/7/05 | <ul style="list-style-type: none"> ◆ Tariffs ◆ <i>Reading Assignment:</i> Chapter 4. |
| Week Seven 10/10/05-10/14/05 | <ul style="list-style-type: none"> ◆ Tariff and Non-Tariff Trade Barriers ◆ <i>Reading Assignment:</i> Chapters 4 & 5. |
| Week Eight 10/17/05-10/21/05 | <ul style="list-style-type: none"> ◆ Non-Tariff Trade Barriers ◆ <i>Reading Assignment:</i> Chapter 5. ◆ Homework No. 3 <u>DUE in class - Monday, Oct. 17th, 2005</u> |
| Week Nine 10/24/05-10/28/05 | <ul style="list-style-type: none"> ◆ Trade Regulations and Industrial Policies ◆ <i>Reading Assignment:</i> Chapter 6. |
| Week Ten 10/31/05-11/4/05 | <ul style="list-style-type: none"> ◆ Trade Regulations and Industrial Policies ◆ <i>Reading Assignment:</i> Chapters 6. ◆ Homework No. 4 <u>DUE in class - Monday, Oct. 31st, 2005</u> ◆ Midterm 2: Wednesday, Nov. 2nd, 2005. <i>Please bring a scantron (form No. 882-E). <u>Note:</u> Midterm No. 2 will NOT be comprehensive. It will include all material covered since Midterm 1.</i> |

Tentative Schedule (cont.)

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| Week Eleven 11/7/05-11/11/05 | ◆ Trade Policies for the Developing Nations ◆ <i>Reading Assignment:</i> Chapter 7. |
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| Week Twelve 11/14/05-11/18/05 | ◆ Trade Policies for the Developing Nations Regional Trading Agreements. ◆ <i>Reading Assignment:</i> Chapter 7 & 8. |
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| Week Thirteen 11/21/05-11/25/05 | ◆ Regional Trading Agreements ◆ <i>Reading Assignment:</i> Chapters 8. ◆ <u>Homework No. 5 DUE in class – Monday, Nov. 21st, 2005</u> |
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| Week Fourteen 11/28/05-12/2/05 | ◆ International Factor movements and Multinational Enterprises ◆ <i>Reading Assignment:</i> Chapters 9. |
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| Week Fifteen 12/5/05-12/9/05 | ◆ The Balance of Payments ◆ <i>Reading Assignment:</i> Chapter 10. ◆ <u>Homework No. 6 DUE in class - Monday, Dec. 5th, 2005</u> |
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| Finals Week 12/12/05-12/16/05 | ◆ Final Exam – Wednesday, Dec. 14th, 2005 (12:45 – 2:45 pm) <i>Please bring a scantron (Form No. 882-E). <u>Note:</u> the final exam will NOT be comprehensive. It will include all material covered since Midterm 2.</i> |
