

DREXEL UNIVERSITY
School of Economics



INTB 334
International Trade, 4 credits

Winter AY 16/17

SYLLABUS

Instructor: Yoto V. Yotov
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Office Hours: 12:00pm-1:00pm on Monday, and by Appointment.
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URL: <http://yotoyotov.com/>
Text: Feenstra, Robert C. and Taylor, Alan M., International Trade, Worth Publishers, 3rd Ed., 2015

COURSE DESCRIPTION

The purpose of this course is to introduce you to the exciting and dynamic field of International Trade. Formally, the course could be divided into two parts: Trade Theory and Trade Policy. During the first part, we will study some of the most influential theoretical models of international trade. As a result, we will build a powerful formal framework to explain the patterns and consequences of trade. In addition, we will analyze the movements of labor and capital across national borders and we will measure the effects of such movements on the returns to production factors in the countries involved. The second part of the course will be devoted to international trade policy. We will study an elegant and powerful partial-equilibrium framework to help us analyze and determine the effects of a variety of policy instruments such as tariffs, quotas, voluntary export restrictions and export subsidies. By this time of the course, you will have enough tools and knowledge to argue convincingly that free trade is good overall, however, there are certain groups that are hurt by trade and, therefore, international trade may have important consequences for income inequality. There are also other arguments for trade protection. For example, we will devote some time to analyzing strategic trade policies and some cases in which government intervention, in terms of protectionism, is desirable and overall beneficial for a country.

LEARNING GOALS

Throughout the course, you will be introduced to and exposed to the major theories in international trade as well as to various quantitative methods and data sources for empirical trade policy analysis. I expect that by the end of the semester we will achieve the following goals:

- Be able to apply the fundamental analytical and empirical tools for analysis of international trade policy.
- Be able to extend the most influential trade theories to address topics beyond the settings covered in class.
- Be able to apply the theoretical and empirical concepts to address concrete trade policy questions of interest to you.

COURSE REQUIREMENTS AND POLICIES

EXAMS. There are going to be two exams in this class: Midterm, on **February 20, 2017**, and a final exam TBA. There will be NO make-up exams. I do not expect you to miss any of the exams but if it happens for a good reason, you should contact me immediately. If you miss the midterm you will be given the option to take a cumulative second exam, covering the material for the final test plus the material for the test that you have missed. This option will also be offered to students who did not perform up to their potential on the first test. In addition, if you do poorly on the midterm and considerably better on the final, the poor midterm will be discounted (but not ignored!).

PROBLEM SETS. There will be 3 problem sets, which will be designed to help your comprehension of the material as well as to help you prepare for the exams. You may (and are actually encouraged) to work in groups on the problem sets but you should not turn in identical copies, especially when it comes to essay questions. NO late homework will be accepted but I will drop the problem set with the lowest score when calculating your final grade.

QUIZZES. In response to requests from students, I started to give quizzes in this course. There will be three quizzes. Each quiz will consist of only “Multiple Choice” and / or “True-False” questions. In addition to bearing weight in your final grade the quizzes will be designed to help you do better on your exams. If you take the quizzes seriously, you will be better prepared for your tests, especially the “Multiple Choice” and “True-False” sections. There will be NO make-up quizzes, however, as with the problem sets, the worst quiz grade will be dropped when calculating your final grade.

CLASS ATTENDANCE. I believe that the classroom lectures will complement your textbook and help your comprehension of the material. In addition, there will be material in some lectures, which does not appear in the textbook but may be covered on the tests. That is why I expect you to attend all classes. In case you are ill or prevented from attending by exceptional circumstances you should contact me ASAP, in advance if possible. If it happens so that you have to miss for an extended period of time, you should contact both me and the appropriate administrator, e.g. academic advisor. This said, I do not take attendance and your grade will not be hurt directly if you do not come to class. However, please note that empirical analysis reveal strong positive

correlation between attendance and learning and between attendance and grades. This is confirmed by the words of a former student of mine who writes:

“Even though attendance for Dr. Yotov’s class is not mandatory, I think the students who will have the most drive and will eventually have the best grades will come to class every time. I still believe that optional attendance is a fine policy, because forcing students to come will not test their drive and can potentially allow them to distract others. I believe anyone who wants to do well should come to class.” (G.G., 2012)

IN CLASS. I will assume that before coming to class you have familiarized yourselves with the material to be covered, from your text and from the outlines that I will be sending you. My previous experience indicates that it is very beneficial if you have read the chapter before class. Your fellow students agree: *“Read the chapter before class for better understanding!” (H.A., 2012)*, they say. I strongly encourage you to ask questions and participate in class discussions. Class participation will count in determining whether you get the benefit of the doubt when I give final grades. It will prove useful for you to spend some time and re-read the text after class and especially when solving the problem sets.

GRADING POLICY. The grade that you get in the class will be the grade that you have earned. The only time that I will be willing to change a grade is when I (or the TA) have made a mistake and it has been brought to my attention before the end of the semester. Your final grade will be determined as follows:

- 3 Problem sets (15% total, 5% each)
- 3 Quizzes (30% total, 10% each)
- 1 Midterm (30%)
- 1 Final Exam (25%)

NOTE. In both your exams and your problem sets, there will be essay questions under one form or another. Your grade on such questions will not be merely based on content. I will expect you to be able to express your thoughts in a smooth, clear and logical sequence. I believe in what McCloskey once said: “We should think about content and expression as the yoke and the white in a scrambled egg”.

ARTICLE REVIEWS. Two to three articles from contemporary journals that are closely related to the material covered in class will be assigned throughout the semester. After reading the articles you will have to answer several brief questions. This is a *great* but *optional* assignment! It is great because, as a fellow student writes in her course evaluation, (i) *“Doing the article reviews helped me understand the material better, because it related the theory from class to the real world” (B.I., 2012)*. It is also great because (ii) it will serve as extra credit in the determination of your final grade. In particular, if you submit **ALL** article reviews and you do sufficiently well, your final grade will be your grade on all other assignments plus one notch. For example, if all other grades add up to a “B+” and you have done *all* article reviews sufficiently well, then your final grade for the course will be an “A-”. Finally, it is great because (iii) the article reviews are well-suited for you to upload into your Lifefolio documents. I encourage you to do so in order to reflect on what you have learned and to demonstrate your acquired skills and knowledge to potential employers.

A WORD ON INTEGRITY. Violations of Academic Integrity in this class will not be tolerated and may result in severe academic sanctions. Make sure that your work is in accordance with the university policies. In order to familiarize yourself with Drexel University's Academic Integrity standards and procedures as well as the policies on Academic Misconduct and Dishonesty, you may refer to the following web site: http://www.drexel.edu/provost/policies/academic_dishonesty.asp or to the "Academic Honesty Policy" as written in the Official Student Handbook. If you have any doubts or questions, please, consult with me. When talking about cheating, plagiarism, collusion and the like, I cannot help myself but cite McCloskey (1987), once again:

"The word is "DON'T." Or maybe "Immoral." Or perhaps "Idiotic."... A student who tries to steal or buy his degree will cheapen the degree his classmates earn, the way professors who give all A's cheapen it, or the students who cheat on exams cheapen it. Maybe that is the best word: "Cheap.""

UNIVERSITY POLICIES

Students with Disabilities Statement: Student with disabilities requesting accommodations and services at Drexel University need to present a current Accommodation Verification Letter (AVL) to faculty before accommodations can be made. AVL's are issued by the Office of Disability Resources (ODR). For additional information, contact ODR at www.drexel.edu/odr, 3201 Arch St., Street, Suite 210, Philadelphia, PA 19104, 215.895.1401 (V), or 215.895.2299 (TTY). Or refer the the online resources at <http://drexel.edu/oed/disabilityResources/overview/>.

Course Evaluation: Your feedback about the course and instructor is the only way instructors and academic units can improve the quality of a course and its content.

Financial Obligations: Students who do not satisfy financial obligations to Drexel University are not entitled to a grade by the instructor or the University.

Course Add/Drop/Withdrawal Policies: Please refer to the following University policies regarding adding, dropping, and withdrawing from courses:

<http://www.drexel.edu/provost/policies/course-add-drop>

<http://drexel.edu/provost/policies/course-withdrawal/>

Financial/academic record impact for Drop/Withdrawal: Dropping or withdrawing from courses can have serious financial and academic implications, possibly affecting billing, financial aid, VA benefits, eligibility to participate in NCAA athletic events, and for foreign students, immigration status. Students are strongly encouraged to consult with their Academic Advisor and financial aid counselor before withdrawing. Students are considered the responsible parties for any/all transactions processed against their academic record.

Incomplete Policy: If the student requests an incomplete (I) or no-credit (NC) grade, it is the student's responsibility to make sure she/he meets the University criteria and deadlines for requesting these grades. If the student stops attending the class, she/he will not be automatically dropped from the course and she/he will receive a grade according to her/his overall performance. It is the student's responsibility to make sure that she/he is properly enrolled or de-enrolled in the course.

Communicating Revisions to the Course: The instructor reserves the right to make revisions to the content, sequencing and pacing of the course. Any changes will be communicated via Drexel email.