

MANHATTANVILLE COLLEGE
ECO 3016: International Trade: Theory and Policy, Spring 2018
(Meets MTh 4:25 to 5:40pm in MECC)

Instructor: Nimish Adhia
E-mail: nimish.adhia@mville.edu

Office Hours: Tue 2:00-3:00pm
Wed 4:30-6:30pm
and **by appointment**
Location: Library Cafe

Course Description

The course deals with the causes and effects of international trade in goods and services, capital flows, and migration. Both theories and empirical evidence will be examined. Topics covered include comparative advantage, equilibrium under free trade, tariffs and non-tariff barriers to trade, political economy of trade policy and regional trade agreements. *Pre-requisite:* ECO 1001 Principles of Microeconomics

Learning Outcomes

Upon successfully completing the course, student will be able to:

- 1) explain, using theory and empirical evidence, the basis of gains from international trade in goods and factors of production
- 2) explain, using theory and empirical evidence, the effects of international trade on various groups of people
- 3) explain, using theory and empirical evidence, the effects of various trade policies
- 4) describe the current policy environment relating to international trade
- 5) explain a country's balance of payments accounts
- 6) predict the effect of economic changes on a country's exchange rate

Topics Covered in the Course

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|---|---|
| 1. Some Stylized Facts About International Trade | 9. Tariffs |
| 2. Mercantilism and its Criticisms | 10. Quotas |
| 3. Adam Smith's Case for International Trade (Absolute Advantage) | 11. Subsidies |
| 4. David Ricardo's Case for International Trade (Comparative Advantage) | 12. Political Economy of Trade Protection |
| 5. Factor Endowments as Basis for International Trade | 13. Trade Liberalization since 1945 |
| 6. Effect of International Trade on Factors' Earnings | 14. Covert Protectionism |
| 7. International Trade in Factors | 15. The WTO |
| 8. Increasing Returns as Basis for International Trade | 16. Strategic Trade Policy |
| | 17. Multinational Corporations |
| | 18. Balance of Payments |
| | 19. Basics of Foreign Exchange Markets |
| | 20. Theories of Exchange Rate Determination |

Required Book

Russell Roberts, *The Choice: A Fable of Free Trade and Protectionism*, 3rd edition, 2006.
(<http://a.co/2P8ZZVI>)

Recommended Book

Carbaugh Robert, *International Economics*, 16th Edition (older editions are ok)

Grading

First, I will calculate the points earned in each category listed in the table below as a percentage of the maximum points possible in that category. Then, after multiplying the percentage of each category with the 'weights' given below, I will add them up to arrive at the student's final course percentage.

Category	Weight
Professional Behavior	0.15
Homework Assignments	0.15
Midterm	0.25
Book Report-cum-Review	0.20
Final Exam	0.25
Total	1.0

Finally, the student's final course percentage will then be converted to a letter grade using this standardized college-wide grading scale.

Grading Scale			
93-100%	A	73-76.9	C
90-92.9	A-	70-72.99	C-
87-89.9	B+	60-69.99	D
83-86.9	B	< 60	F
80-82.9	B-		
77-79.9	C+		

Self-study and Book Report-cum-review

You will read thoroughly *The Choice* by Russ Roberts and write a 5-7 pages (double spaced, size 12 font) paper on it. The paper should consist of a chapter-by-chapter summary of the book and your review of it (hence the name report-cum-review). You will submit on Blackboard the first draft of the report-cum-review before 11:00 pm on **Sunday, March 4th 2018**. You will then meet one-on-one to discuss your draft. Based on the feedback you receive, you will revise the book report-cum-review and submit on Blackboard the final draft before 11:00 pm on **Sunday, April 15th, 2018**. The grading rubric for the report-cum-review is attached to the syllabus.

Late Submission: For each day the review is turned in late, your grade for this assignment will be reduced by 10% of the maximum possible points. For example you got 85% on your book-report-cum-review. If you had turned in the book-report-cum-review a day late, your grade that will be recorded will be $85\% - 10\% = 75\%$.

Professional Behavior

One of the goals of college is to get students to develop the habit of acting professionally. Thus 15% of your grade in this course will be based on your demonstration of professional behavior. In your role as a college student, acting professionally involves (i) following classroom norms, such as those described in attendance and cell-phone usage policies described below, (ii) taking interest in the course (iii) taking initiative to identify obstacles to your learning and seeking help, (iv) completing all readings and assignments on time.

Attendance Policy

Attendance in this class is required. After the first two weeks of the semester, everyone is allowed a total of 3 absences, excused or unexcused. I do not distinguish between excused and unexcused absences, so you do not need to send me an email asking to be excused or to send me a doctor's note. After you have been absent 3 times (absences in the first two weeks of the course will not be counted towards this number), every absence will cost you 1 point out of the 15% of the course grade set aside for professional behavior. I will take attendance at the beginning of each class, so please be on time.

Cell-phone Usage Policy

When a student uses a cell phone when the class is in session, it distracts others and lessens the professional atmosphere of the classroom. Therefore, I ask you that when the class is in session you do not text or otherwise operate your phone. Put it away where you cannot hear/feel its alerts. Despite this instruction, if I see a student using a phone I will likely conclude that the student:

- is not interested in what is going on in class.
- has impulse control issues and difficulties in following norms of professional behavior.
- does not take academics very seriously.
- does not care that he/she is distracting others.

Such impressions that you make will affect my future evaluation of your academic potential or professionalism.

Academic Integrity

Students are responsible for becoming familiar with the definitions, procedures and sanctions outlined in the Academic Integrity Policy, which is located in the Course Catalog.

Statement on the Americans with Disabilities Act

The ADA requires reasonable accommodations to those students that qualify to ensure that “no otherwise qualified individual with a disability shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program administered by the college.” If you qualify, please contact the Office of Disability Services as soon as possible to discuss accommodations; they will communicate with me through official channels.

Book Report-cum-review Grading Rubric

The grade will be based on the following three criteria

Criteria 1: Has the student effectively summarized each chapter by capturing the **main point** of the book author’s message while leaving out the supporting details? (10 points)

1 point (ineffective summaries) 10 points (very effective summaries)

Points awarded: _____

Criteria 2: Does the student discuss the points made by the book’s author and assess their validity in a way that demonstrates (1) what is at issue, and (2) critical thinking. (5 points)

1 point (poor grasp of issues and use of critical thinking) 5 points (excellent grasp of issues and critical thinking skills at the college level)

Points awarded: _____

Criteria 3: Is the book review free of grammatical and spelling errors, and does the prose contain effective paragraphs that flow well? (5 points)

1 point (There are many errors or the text is poorly composed) 5 points (The text is an excellent specimen of college-level writing)

Points awarded: _____

Total Points: _____ / 20