

**KENT STATE UNIVERSITY**  
**Department of Economics**

**Course Syllabus – Fall 2009**  
**ECON 62075/ BAD 72075 International Trade**  
**Class Meets: Thu 6:15 – 8:55pm in 213 BSA**

Instructor: Dr. Jooyoun Park  
Office: 476 Business Administration Building  
Phone: (330) 672-1086  
Email: [jpark8@kent.edu](mailto:jpark8@kent.edu)  
Office Hours: Tue 3:30 - 6pm  
Thu 9 – 11:30am

**Course Goals and Objectives**

Study of modern international trade theory and policy, including free trade areas, international trade organizations, current issues in international trade and the effect of international trade on domestic policy.

**Prerequisites:** ECON 62021 and ECON 62022

**Required Text**

International Economics: Theory and Policy, 8<sup>th</sup> Edition by Paul R. Krugman and Maurice Obstfeld

**Other Resources and Readings**

There are also a number of shorter readings required for the class. These readings will be announced prior to each class and the links will be posted on the class website. These readings are mostly articles from major newspapers and magazines such as Wall Street Journal, The Economist, and the Financial Times.

**Exams and Grades**

Grades will be based on one midterm exam, one final exam, two assignments, and class participation. The weights on each item is listed below. The grades will not be curved, so all students can get A!!

	Date	Time	Weight
Midterm Exam	10/22	in class	40%
Two Assignments			20% (10% each)
Final Exam	12/17	Take Home	30%
Class Participation			10%

### **University Grade Change Policy**

Once course grades are submitted, they are final and will not be changed except in cases of administrative error. Grades will not be changed by allowing the student to do additional work (e.g., retaking exams, redoing papers; submitting extra credit papers, reports, etc.) or by using criteria other than those applied to all students in the class.

### **Enrollment and Withdrawal**

Students have responsibility to ensure they are properly enrolled in classes. You are advised to review your official class schedule (using Student Tools on FlashLine) during the first two weeks of the semester to ensure you are properly enrolled in this class and section. Should you find an error in your class schedule, you have until Sunday, **September 6, 2009** to correct the error. If registration errors are not corrected by this date and you continue to attend and participate in classes for which you are not officially enrolled, you are advised now that you **will not** receive a grade at the conclusion of the semester for any class in which you are not properly registered.

The course withdrawal deadline is Sunday, **November 8, 2009**. Withdrawal before the deadline results in a "W" on the official transcript; after the deadline a grade must be calculated and reported.

### **Academic Honesty**

Cheating means to misrepresent the source, nature, or other conditions of your academic work (e.g., tests, papers, projects, assignments) so as to get undeserved credit. In addition, it is considered cheating when one cooperates with someone else in any such misrepresentation. The use of the intellectual property of others without giving them appropriate credit is a serious academic offense. It is the University's policy that cheating or plagiarism results in receiving a failing grade for the work or course. Repeat offenses result in dismissal from the University.

### **Students with Disabilities**

University policy 3342-3-01.3 requires that students with disabilities be provided reasonable accommodations to ensure their equal access to course content. If you have a documented disability and require accommodations, please contact the instructor at the beginning of the semester to make arrangements for necessary classroom adjustments. Please note, you must first verify your eligibility for these through Student Accessibility Services (contact 330-672-3391 or visit [www.kent.edu/sas](http://www.kent.edu/sas) <<http://www.registrars.kent.edu/disability/>> for more information on registration procedures).

## COURSE OUTLINE

### I. Introduction

- Sep 3<sup>rd</sup> International Transaction & Balance of Trade
- How large is international trade?
  - Who's trading who?
  - Trade Deficit and Surplus
- Reading: Ch 1 and 2

### II. Theoretical Approach to International Trade

- Sep 10<sup>th</sup> The Ricardian Model  
Reading: Ch 3
- Sep 17<sup>th</sup> The Heckscher-Ohlin Model
- How do we explain offshore outsourcing in services?
- Reading: Ch 4
- Sep 24<sup>th</sup> Terms of Trade, and the Standard Trade Model  
Reading: Ch 5
- Oct 1<sup>st</sup> Trade under Imperfect Competition and Intra-Industry Trade  
Reading: Ch 6
- Oct 8<sup>th</sup> International Factor Movement
- Labor Mobility: Immigration
  - Capital Mobility: Foreign Direct Investment
- Reading: Ch 7

### III. Trade Policy and International Organization

- Oct 15<sup>th</sup> Tariffs and Non-tariff Barriers (NTBs)
- Tariffs
  - Quota
  - Voluntary Export Restraints
- Reading: Ch 8
- Oct 22<sup>nd</sup> **Midterm Exam**
- Covers up to Chapter 8
- Oct 29<sup>th</sup> Dumping and Anti-Dumping Policy; Subsidies and Countervailing Duties  
Reading: Ch 11 (pp 268-272)  
Presentation of Assignment 1: Case Study – Anti-dumping measures in practice
- Nov 5<sup>th</sup> International Trade and Growth
- Openness and Growth
  - Trade policies of developing countries
- Reading: Ch 10

- Nov 12<sup>th</sup> World Trade Organization
- History
  - Roles and Dispute Settlement Mechanism
  - Negotiation Rounds
  - Labor and Environment Standard
- Reading: TBA
- Nov 19<sup>th</sup> Preferential Trading Agreements
- North American Free Trade Area (NAFTA)
  - European Union (EU)
  - Many others
- Reading: Ch 9. (pp 239-243)  
Presentation of Assignment 2: Case Study of PTA
- Nov 26<sup>th</sup> **No Class: Thanksgiving Break**
- Dec 3<sup>rd</sup> Political Economy of Trade
- Is free trade really beneficial?
  - Anti-globalization movement
  - Trade Adjustment Assistance
  - Offshore outsourcing and the controversy
  - Buy-American provision in 2009 Stimulus Bill
- Reading: Ch 9
- Dec 10<sup>th</sup> Tops in International Trade and Policy  
Hand out Final Exam  
Reading: TBA

## ASSIGNMENTS

Both assignments will take short writing and presentation.

Writing Format:

- No cover page
- The writing should not exceed three pages. Any paper exceeding three page limit will be considered not submitted.
- Font size 11 or 12, double-spaced
- Pages should be numbered.
- Since each person chooses different subject, all writings will be made available to classmates.

Presentation:

- This is not really a presentation, so NO POWER POINT SLIDES.
- Just talk for a while to make your point.

Assignment 1. Anti-dumping Measures in Practice

- If you google 'antidumping,' you will get tons of news articles on various anti-dumping measures taken. Choose one that interests you.
- Summarize which countries are involved, what's the position of each country? What were the arguments around the incident?
- What was the court ruling?
- If the court ruled that it was dumping, what was the penalty?

Assignment 2. Case study of Preferential Trading Agreement

- Choose one PTA that is in practice or is being negotiated.
- Summarize the main focus of the agreement (e.g. Agricultural tariffs? Intellectual Property?)
- If already in practice: What are the effects of the PTA on the economies of the member countries? Effect on the trade flows among them?
  - If under negotiation: What are the controversies around the negotiation? What types of efforts have been made for ratification?