DEREE COLLEGE SYLLABUS FOR: EC 4531 INTERNATIONAL TRADE	
(Previously EC4331) (Updated Fall 2022) **US CREDITS: 3/0/3**	**UK LEVEL: 6** **UK CREDITS: 15**

PREREQUISITES:	EC 1000 Principles of Microeconomics EC 1101 Principles of Macroeconomics MA 1008 College Algebra MA 2105 Applied Calculus EC 3470 Managerial Economics
CATALOG DESCRIPTION:	The theory of international trade and commercial policy: static and dynamic analysis of trade patterns with traditional and new models of international trade; welfare gains from trade; instruments of trade policy and their impact on national and international welfare; economic integration.
RATIONALE:	Free trade, protectionism and the process of "globalization" have raised interesting debates both in academic and political circles in the recent years. This course provides an opportunity to discuss some of the issues surrounding global economic integration and use theoretical and analytical tools to understand the arguments involved.
LEARNING OUTCOMES:	As a result of taking this course, the student should be able to: 1. Demonstrate detailed knowledge, in both general and specific terms, of the traditional models of trade. 2. Evaluate the gains from trade and its welfare aspects. 3. Discuss current patterns of international trade between developed and developing countries. 4. Analyze recent advances in trade theory. 5. Evaluate trade policies and recent trends in economic integration.
METHOD OF TEACHING AND LEARNING:	In congruence with the learning and teaching strategy of the college, the following tools are used: ➢ Lectures, class discussions, and review of cases taken from the real world and applicable to specific theoretical concepts. In-class problem solution and occasional class discussions of recent articles in economic journals assigned by the instructor. ➢ Office Hours: Students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material. ➢ Use of Blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.

ASSESSMENT:	**Summative**:

1st assessment: In-class written examination (One-hour, closed book, problems/essays)	**40%**
Final assessment: In-class written examination (Two-hour, closed book, problems/essays, comprehensive)	**60%**

Formative:

Problem sets and questions	**0%**

The formative assessment prepares students for the examinations and ensures that students are actively engaged during the term.

The 1st assessment tests Learning Outcomes 1 and 2.
The final assessment tests Learning Outcomes 1, 2, 3, 4, and 5, with emphasis on 3, 4, and 5.

The final grade for this module will be determined by averaging all summative assessment grades, based on the predetermined weights for each assessment. If students pass the comprehensive assessment that tests all Learning Outcomes for this module and the average grade for the module is 40 or higher, students are not required to resit any failed assessments.

INDICATIVE READING:	**REQUIRED READING:**

REQUIRED READING:

Salvatore, D. International Economics, latest edition.

Journal articles, accessible through the Library, as assigned by the instructor.

RECOMMENDED READING:

Bernhofen, Daniel and Brown John. (2004), "A Direct Test of the Theory of Comparative Advantage: The Case of Japan". *Journal of Political Economy*, 112, 48-67.

Caves R., Frankel J., and Jones R. World Trade and Payments: An Introduction, latest edition.

Cline William (1999), Trade and Income Distribution: The Debate and New Evidence", Policy Brief 99-7, Institute of International Economics.
Restoring Faith in Globalization, Carl Bildt, Project Syndicate, February 16, 2017.

Delong, J. B (2017), Where US Manufacturing Jobs Really Went. Project Syndicate, May 3.

Kristof N. (2009), Where Sweatshops Are a Dream, New York Times, January 15, 2009.

	Krugman P. and Obstfeld M. Foundations of International Economics, McGraw Hill, latest edition. Rinke, A. and Taylor, E. (2017), Trump threatens German carmakers with 35 percent U.S. import tariff, Reuters, January 16 Ruffin, Ray (1999), The Nature and Significance of Intra Industry Trade, Federal Reserve Bank of Dallas, February 1999. Stiglitz, J. E. (2016), Globalization and its New Discontents, Project Syndicate, August.
INDICATIVE MATERIAL: *(e.g. audiovisual, digital material, etc.)*	**REQUIRED MATERIAL:** N/A **RECOMMENDED MATERIAL:** N/A
COMMUNICATION REQUIREMENTS:	Use of appropriate academic conventions as applicable in oral and written communications.
SOFTWARE REQUIREMENTS:	Word, Excel
WWW RESOURCES:	Students are asked to search the Internet for further readings (such as articles, reports etc.) related to the topics covered in the course. Some excellent web sites for this purpose are: www.ft.com (Financial Times) www.economist.com (Economist) www.iie.com (Institute for International Economics) www.imf.org (International Monetary Fund) www.wto.org (World Trade Organization)

INDICATIVE CONTENT:	1. Introduction
	2. Traditional Models of Trade
	    a. Trade Based on Absolute Advantage (Adam Smith)
	    b. Trade based on Comparative Advantage
	        i. Ricardian Model With Constant Costs
	        ii. Ricardian Model With Increasing Costs
	    c. The Hecksher – Ohlin Model
	3. Recent Developments in International Trade
	    a. The Specific Factors Model
	    b. Economies of Scale, Imperfect Competition and International Trade
	4. International Trade Policy
	    a. Tariffs and National Welfare
	    b. Non-tariff Trade Barriers
	5. Regional Economic Integration