

## **Econ 3610: International Trade 2017–2018 2<sup>nd</sup> Term**

### **Instructor**

Professor Jackie M.L. Chan  
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### **Teaching Assistants**

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**Lecture:** Tuesdays 8:30-10:15am, Esther Lee Building (ELB) LT4  
Thursdays 12:30-1:15pm, Esther Lee Building (ELB) LT4

### **Course Description:**

A general survey of the theory and empirics of international trade and an examination of its relation to both international and domestic policies. Major topics include: the theory of comparative advantage, international trade and factor prices, income distribution, economic development, instruments of trade policy and economic welfare.

### **Course Prerequisites:**

Students should have knowledge of elementary differential calculus, and are advised to take ECON2011 and 2021 before taking this course.

### **Recommended Text**

Krugman, Obstfeld, and Melitz (**K**), International Economics: Theory and Policy, 10<sup>th</sup> edition.  
Feenstra and Taylor (**F**), International Economics, 3<sup>rd</sup> edition.

Note: No textbook is required for this class, but these two books are recommended if you would like a textbook treatment of the material. Other editions of the books will contain similar material but the syllabus below lists chapter references for the editions listed above.

### **Grading Policy:**

3 Assignments = 15%  
Group term paper = 7.5%  
Midterm = 32.5%  
Final = 45%

**Midterm: In-class**, Tuesday Feb. 27. Please let me know *as soon as possible* if you cannot make this time.

**Final: To be determined.** The final exam will be a centralized course examination and the date will be set some time during the semester. The examination period designated by the Registration and Examination Section (RES) is April 25 to May 12.

**Assignments are due** at the end of class. If you cannot submit it in class, you can put it into my assignment box, but the same deadline applies. Late submissions before 9am the next day are discounted by 50%. Late submissions thereafter receive zero credit.

**Assignments are graded** "check plus", "check", and "check minus". When determining course grades, the homework is recorded as a 100% for "check plus", a 67% for "check", a 33% for "check minus", and 0% if not submitted.

**Group term paper:** You will be asked to write a term paper in a group of no less than 4 persons. Details will be made available as the term progresses. **The due date will April 12, 2018.**

**Re-grade policy:** If you appeal to re-grade your midterm, you should submit your entire answer key and attach a sheet explaining which question(s) and the reason(s). The deadline to submit any re-grade is within one week after the graded exam is distributed.

**Academic honesty:** The University has a zero-tolerance policy on cheating and plagiarism. Violations can lead to disciplinary actions including the termination of studies at the University. Please refer to the University's online guide on academic honesty for further information: <http://www.cuhk.edu.hk/policy/academichonesty/>

## Course Outline and Reading List

Week	Dates	Topic	Readings
1	Jan. 9-11	Introduction, Endowment economy	K 1, 2 ; F 1
2	Jan. 16-18	Endowment economy, Ricardian model	K 3; F 2
3	Jan. 23-25	Ricardian model, Specific factors model	K 4; F 3
4	Jan. 30 - Feb. 1	Specific factors model, Heckscher-Ohlin model  <b>PS 1 due on Jan. 30</b>	K 5; F 4
5	Feb. 6-8	Heckscher-Ohlin model, Movement of labor and capital between countries	K 4, 5; F 5
6	Feb. 13-15	Standard trade model  <b>PS 2 due on Feb. 13</b>  No class on Feb. 15 (Lunar New Year)	K 6
7	Feb. 20-22	No class on Feb. 20 (Lunar New Year)  Review	
8	Feb. 27 - Mar. 1	<b>In-class midterm on Feb. 27</b>  Standard trade model	K 6
9	Mar. 6-8	External economies of scale	K 7; F 6
10	Mar. 13-15	Increasing returns to scale model	K 8; F 6
11	Mar. 20-22	Instruments of trade policy  <b>PS 3 due on Mar. 22</b>	K 9; F 8, 10
12	Mar. 27-29	Instruments of trade policy  No class on Mar. 29 (Reading week)	K 9; F 8, 10
13	Apr. 3-5	No class on Apr. 3 (Reading week)  No class on Apr. 5 (Ching Ming)	
14	Apr. 10-12	Multinationals and FDI  <b>Group term paper due on April 12</b>	K 8; F 7
15	Apr. 17-19	Topics in trade policy, Review	K 10, 11, 12; F 11