Econ 3610: International Trade Spring 2024 Syllabus

Lecture Schedule:	Fri 8:30AM - 11:15AM, Jan 12-Apr 19, Yasumoto Int'l Acad Park LT8
Instructor:	Liugang Sheng E-mail: <u>lsheng@cuhk.edu.hk</u> Office: ELB 929 Office hours: Thur, 4pm – 5pm
Teaching Assistants:	Bohou Cai Email: 1155145046@link.cuhk.edu.hk Office: ELB1017 Office hours: Wed, 1:30pm-2:30pm
	Zijian Li Email: zijian.li@link.cuhk.edu.hk Office: ELB 1017 Office hours: Fri, 1:30pm-2:30pm

Please make an appointment first and meet in the offices.

Course Website: Blackboard in CUSIS

Course Description:

This class is an introduction to (1) theories of trade, including Ricardian and Heckscher-Ohlin's classical trade theory on comparative advantage, Krugman's New Trade theory on scale economies, and Melitz's New New Trade theory on heterogeneous firms, and (2) trade policies, including policy instruments, political economy of trade policy, and world trade arrangements. We will particularly discuss the trade war between the U.S. and China.

Prerequisite:	ECON2011 Basic Microeconomics.
Textbook:	P. R. Krugman, M. Obstfeld, and M. J. Melitz, <i>International Economics: Theory & Policy</i> , 11th ed., 2018, Pearson Addison Wesley.
Reference:	R. C. Feenstra and A. M. Taylor, <i>International Trade</i> , 3nd ed., 2014, Worth Publishers.
	Liugang Sheng and Hongyan Zhao, Changes in the China-U.S. Economic Relations (中美经贸变局), in Chinese, 2020, Peking University Press.

Learning Outcomes:

After completing this course, the students are expected to:

- 1. Acquire knowledge in theoretical and empirical analysis of international trade;
- 2. Develop skills in theoretic modeling and empirical analysis of trade;
- 3. Understand the trade policy and trade conflicts.

Attendance

Please attend the regular class and any announcement in the class is formal, you should take the responsibility if you miss the lecture. If you have to attend the class through the zoom, please email me and the TA first for the reasons and supporting documents.

Academic Honesty

For guidelines on academic honesty, students are referred to Honesty on Academic Work: A Guide for Students and Teachers at the following URL:

http://www.cuhk.edu.hk/policy/academichonesty/

Date	Lecture	Outline	Ch.
Jan 12	1	Introduction and Overview of World Trade	1/2
Jan 19	2	The Ricardian Model	3
Jan 26	3	Specific Factors and Income Distribution	4
Feb 2	4	The Heckscher-Ohlin Model	5
Feb 9		Holiday (No Class)	
Feb 16	5	The Standard Trade Model	6
Feb 23	6	External Economies of Scale	7
Mar 1	7	Firms in the Global Economy	8
Mar 8		Reading week	
Mar 15	8	Trade Policy	9
Mar 22	9	The Political Economy of Trade Policy	10
Mar 29		Holiday (No Class)	
Apr 5	10	Debts on Trade Policy and The US-China Trade War	11/12/PPT
Apr 12	11	Presentation	
Apr 19	12	Presentation	
TBA		Final Exam	

Lecture Schedule:

Evaluation:	Assignments	25%
	Group project: presentation+report+peer review	15% + 10% + 5%
	Final Exam	45%

Final exam: TBA

Group project

You are expected to form a group of 4 students by **Feb 23, 2024.** You can choose a topic related to international trade and write a report on it. The project can be related to a trade phenomenon or trade policy implemented or currently under consideration. Below I listed a few examples but you can choose other interesting topics.

- The impact of US trade protectionism since 2018
- The RCEP and its impacts on the regional economy
- The slowbalization since the global financial crisis
- The China trade shock
- The Brexit
- Sanctions on Russia
- One country's trade profile, i.e., North Korea

Slides submission: Each group needs to submit the slide via the course website by 6 pm on April 11, 2024. Late submission will result in 1/2 reduction of the grade for the presentation.

Presentation: In class on **April 12 and 19, 2024**. Each presentation lasts 10 minutes, depending on overall enrollment.

The deadline of report submission is 5pm on May 10, 2023. The report should be between 10-12 pages in length (including tables, figures, and references).

Format: font: Times New Roman; font size: 12 points; margins: 1 inch all around; spacing: 0pt before, 0pt after, double line spacing.

Anonymous Peer Evaluation:

To avoid free-riding, students are required to evaluate the overall contribution made by their group members (not including themselves). The evaluation form will be available on the course website. **Students need to email TA the filled form one day after the due day of report**. Those who do NOT submit their peer evaluation will Not receive grade for this part.

Course Policy:

- You will get zero grade for homework if you copy the solution directly.
- Exams will be cumulative.
- A request of assignment or exam regrading should first go to the teaching assistant with written justification, within one week from the day that the assignment or exam is graded and returned to the class. In that case, we reserve the right to regrade the entire assignment or exam, which may result in either an increase or a decrease in the grade.
- No late assignment and no make-up or earlier exams will be given (unless the University approved reasons).
- Dishonesty in assignments and exams will receive grade "F" for this course.
- The grade distribution follows the university guideline.
- No changes to any scores recorded in CUSIS will be made for any reason after the final exam is taken.

Grade description

Grade	Description
А	Outstanding performance on all learning outcomes.
A-	Generally outstanding performance on all (or almost all) learning outcomes.
В	Substantial performance on all learning outcomes, or high performance on some learning outcomes which compensates for less satisfactory performance on others, resulting in overall substantial performance.
С	Satisfactory performance on the majority of learning outcomes, possibly with a few weaknesses.
D	Barely satisfactory performance on a number of learning outcomes.
F	Unsatisfactory performance on a number of learning outcomes, OR failure to meet specified assessment requirements.

***The instructor reserves the right to make revisions to the syllabus. ***