

**UNIVERSITY OF FLORIDA  
WARRINGTON COLLEGE OF BUSINESS  
DEPARTMENT OF ECONOMICS**

**ECO 3703  
INTERNATIONAL TRADE**

***FALL 2006***

***Instructor:*** Mujde Z. Erten

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***Office Hours:*** Monday, 2:00-3:00 PM, also by appointment.

***Class Schedule:*** Monday – Wednesday 5-6 (11:45-1:40 PM), MAT 112

**SYLLABUS**

***Course Description:*** This course is an introduction to international trade and trade policy. The aim is to understand real world trade issues using the available tools in international trade. Therefore, the objective of this course is to provide students with an understanding of theoretical aspects of trade policy and a guide to the current topics in international trade. We will cover the basic theories of comparative advantage, economies of scale, and imperfect competition. We will also review different arguments for restrictive trade policies, and their partial and general equilibrium impacts together with trade patterns.

***Prerequisites and Requirements:*** ECO 2013 and ECO 2023 are the prerequisites for ECO 3703. The course material is prepared based on the assumption that students are familiar with microeconomics and macroeconomics at the introductory level. Students who need to review the principles of microeconomics and/or macroeconomics should read a principles-level textbook. Students should be able to understand and use both graphical and analytical tools. I take it as granted that you are familiar with mathematical tools such as elementary calculus, equation solving, and sketching and analyzing graphs.

***Grading:*** There will be 6 problem sets (the number is subject to change- i.e. there may be more problem sets.), one midterm, and a final exam. Problem sets must be handed in at the beginning of the class on each specified date on the problem set. **No late assignment is accepted.** Weights to calculate the course grade will be as follows: midterm 30%, final 50%, and problem sets 20%. The material for the final exam will include some chapters covered in midterm exam.

***Midterm Exam Date:*** Wednesday, October 18, in class.

***Final Exam Date:*** Wednesday, December 6, in class.

**Grading scale:**

<b>A</b>	90.00 and above
<b>B+</b>	85.00 to 89.99
<b>B</b>	80.00 to 84.99
<b>C+</b>	75.00 to 79.99
<b>C</b>	70.00 to 74.99
<b>D+</b>	65.00 to 69.99
<b>D</b>	60.00 to 64.99
<b>E</b>	59.99 and below

There will be no exception to this scale. For example, 74.99 is a C.

**Academic Honesty:** I have zero tolerance on any kind of cheating. Any student caught cheating on an exam will fail the class. Enrollment in this course constitutes acknowledgment of the following: ***“I understand that the University of Florida expects its students to be honest in all of their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action, up to and including expulsion from the University.”***

**Students with disabilities:** Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation.

**Make-up Exams:** Students requesting a make-up exam must inform me prior to the exam and provide evidence qualified for it (i.e. medical proof).

**Textbook:** Krugman, P. and M. Obstfeld, *International Economics: Theory and Policy*, Seventh Edition, 2005, Addison Wesley Publishers. You are required to read the assigned readings from the textbook.

## **COURSE OUTLINE**

This is a tentative reading list. More material might be added as it becomes available. Listed below are the topics to be covered, and the corresponding chapters in the textbook. The relevant page numbers for each chapter will be announced in class.

- 1. Introduction**, Krugman and Obstfeld, Chapter 1
- 2. World Trade : An Overview**, Krugman and Obstfeld, Chapter 2
- 3. Labor Productivity and Comparative Advantage: The Ricardian Model**, Krugman and Obstfeld, Chapter 3

- 4. Resources, Comparative Advantage, and Income Distribution, Krugman and Obstfeld, Chapter 4**
- 5. Economies of Scale, Imperfect Competition, and International Trade, Krugman and Obstfeld, Chapter 6**
- 6. The Instruments of Trade Policy, Krugman and Obstfeld, Chapter 8**
- 7. The Political Economy of Trade Policy, Krugman and Obstfeld, Chapter 9**
- 8. Trade Policy in Developing Countries, Krugman and Obstfeld, Chapter 10**
- 9. Controversies in Trade policy, Krugman and Obstfeld, Chapter 11**