



## Department of Economics Course Outline

		<b>Term:</b> Winter 2009
<b>Course:</b>	Economics 321 The Global Trading System	<b>Section:</b> 02
<b>Time:</b>	T R 09:30 – 10:45	<b>Place:</b> ST139
<b>Instructor:</b>	E. C. Beaulieu	
<b>Office:</b>	SS 424	<b>Tel. no.:</b> 220 5862
<b>Office hours:</b>	T R 11:00 – 12:00 And by appointment	<b>E-mail:</b> <a href="mailto:beaulieu@ucalgary.ca">beaulieu@ucalgary.ca</a>

### **Textbook(s):**

Robert Feenstra and Alan Taylor, *International Economics*, Worth Publishers, 2008. **Required**

### **Course Outline**

This course examines the nature, causes and consequences of international trade in order to provide the basis for analysing aspects of trade policy such as: Canadian Trade Policy, regional preferential trading arrangements such as NAFTA and the European Union, and global trading arrangements such as the World Trade Organization. Topics include: comparative advantage, trade with economies of scale, trade with imperfect competition, factor endowments, tariffs, trade restrictions and multinational firms.

A key focus of the course will be Canada's position in the world economy and the course will critically examine Canada's international trade policy. A list of topics and accompanying readings will be made available during the first week of class.

The Department of Economics offers two follow-up courses, Economics 425 (International Trade II) and Economics 423 (International Macroeconomics). Economics 425 provides students with a more detailed explanation of trade flows and goes on to consider issues such as: strategic trade policy in the presence of imperfect competition; trade, growth and technological change; trade-related aspects of intellectual property; and trade, trade policy and the environment. Economics 423 examines international economics from a macro-economic perspective including the financial side of international economics such as exchange rates.

### **The Department of Economics Writing Program:**

This section of Econ 321 is included in the Economics Writing Program offered by our department. The only way to learn effective writing skills is to practice writing. In addition to the usual two lectures, students have the option of attending writing tutorials delivered by the Effective Writing Office. Details on the days, times and locations of the writing tutorials for 321 will be confirmed and announced in the first week of class. Our effective writing instructor is Diane Guichon. Her email address is [d.guichon@shaw.ca](mailto:d.guichon@shaw.ca) and her office hours will be announced in the first week of class and by appointment.

A significant portion of the course grade will be determined by writing assignments. Hence the writing tutorials are **not** really optional.

For the first third of the course the writing tutorials will cover topics such as generating ideas; researching sources (session to be held with the librarian for Economics); organizing and structuring effective arguments; and the mechanics of sentences, paragraphs, punctuation, and self-editing.

The Effective Writing Tutorials in the last two thirds of the course will focus on developing skills necessary for the successful completion of a major research project consisting of a fifteen to twenty page analysis of a major antitrust case. The paper will be written and submitted in four stages. Further information on the research project will be available on Blackboard.

### **Topics Covered in the Course:**

#### **Part One: Introduction to International Trade**

Chapter 1 Trade in the Global Economy **1**

#### **Part Two: Patterns of International Trade**

Chapter 2 Trade and Technology: The Ricardian Model **11**

Chapter 3 Gains and Losses from Trade in the Specific-Factors Model **31**

Chapter 4 Trade and Resources: The Heckscher-Ohlin Model **43**

Chapter 5 Movement of Labor and Capital between Countries **61**

#### **Part Three: New Explanations for International Trade**

Chapter 6 Increasing Returns to Scale and Imperfect Competition **81**

Chapter 7 Foreign Outsourcing of Goods and Services **103**

#### **Part Four: International Trade Policies**

Chapter 8 Import Tariffs and Quotas under Perfect Competition **121**

Chapter 9 Import Tariffs and Quotas under Imperfect Competition **147**

Chapter 10 Export Subsidies in Agriculture and High-Technology Industries **167**

Chapter 11 International Agreements: Trade, Labor, and the Environment **185**

**Time permitting:** Chapter 17 Balance of Payments I: The Gains from Financial Globalization

### **Grade Determination and Final Examination Details:**

All students must comply with the regulations published in the University Calendar concerning “Intellectual Honesty,” “Examinations,” etc. Students will normally be evaluated in accordance with the marking scheme given below:

	<b>Weight</b>	<b>Date</b>
Editorial piece	10%	Jan 29
Midterm exam	20%	Feb 12
Research Proposal	5%	Feb 12
Bibliographic piece	5%	Feb 26
Term Paper	30%	April 16
Final Examination	<u>30%</u>	Registrar
	100%	

Course material will be assigned a numerical mark which will be compiled into a final percentage mark using weights given in the marking scheme. Course percentages will be

converted into the University's letter grades. As a guide to determining standing, these letter grade equivalences will generally apply:

<b>A+</b>	<b>95 - 100</b>	<b>B+</b>	<b>77 - 81</b>	<b>C+</b>	<b>67 - 69</b>	<b>D+</b>	<b>56 - 59</b>
<b>A</b>	<b>87 - 94</b>	<b>B</b>	<b>74 - 76</b>	<b>C</b>	<b>64 - 66</b>	<b>D</b>	<b>50 - 55</b>
<b>A-</b>	<b>82 - 86</b>	<b>B-</b>	<b>70 - 73</b>	<b>C-</b>	<b>60 - 63</b>	<b>F</b>	<b>0 - 49</b>

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Calculators WILL NOT be allowed during the writing of tests or final examinations. There will be a Registrar scheduled final examination, lasting 2 hours and held in a classroom. Tests and exams WILL NOT involve multiple choice questions.

Students' Union Vice-President Academic

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Society of Undergraduates in Economics (SUE) [www.ucalgary.ca/sue/](http://www.ucalgary.ca/sue/)

**Notes:**

- Students seeking reappraisal of a piece of graded term work should discuss their work with the Instructor within two weeks of the work being returned to the class.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

Safewalk / Campus Security: 220-5333

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