

ECO 364H1F: INTERNATIONAL TRADE THEORY

UNIVERSITY OF TORONTO

SUMMER 2021

Instructor Information

Guangbin Hong

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Teaching Assistant Contact Information

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Office Hours

Guangbin Hong:	Fridays, 3:00 PM – 4:00 PM
Torsten Jaccard:	Wednesdays, 1:00 PM – 2:00 PM

All office hours will be conducted remotely via **Zoom**.

You are encouraged to appoint other times by emailing me if the above hours do not suit you well.

Lecture Schedule and Recordings

Biweekly lectures will be live-streamed via **Zoom** every **Tuesday 10:00 am – 1:00 pm and Thursday, from 10:00 am - 12:00 pm**. Each lecture will also be recorded and posted on the course Quercus website. Students have the option of either attending the lecture live-stream or watching the recordings according to their own time zone and schedule. Note that there will be **no in-person lectures**.

Zoom Information

For lectures, tutorials and instructor's office hours:

Meeting ID: 876 9496 2601

Passcode: 829968

For TA's office hours:

Meeting ID: 881 1246 6939

Passcode: 485476

Course Overview

This course is an introduction to the economics of international trade. The core objective of the course is to develop an understanding of the causes and consequences of international trade, with analysis grounded in the formal study of economic theory. Students will investigate why nations trade what they do, who gains or loses from trade, the incentives for trade regulation, and the welfare effects of trade policies. In the process, the course will introduce students to the topics of the gravity model, comparative advantage, specific factors, trade and the labor market, variety gains from trade and trade policies. The course will emphasize the understanding of past and current world events related to international trade, and will rely on economic modeling to help students understand these events. The course will also discuss empirical findings related to theoretical predictions, encouraging critical thinking upon the strength and limitations of trade models.

Lecture Notes and Textbooks

Detailed lecture notes will be posted on the course Quercus website for each lecture session. The content of these lecture notes, together with the assigned problem sets, will constitute the core material that students are responsible for learning throughout the course. As such, there is no required textbook for the course. However, many undergraduate trade courses use well-established textbooks that students might find helpful as supplementary reading. The reading list below provides suggested chapters corresponding to each lecture topic from two of the most commonly used textbooks:

- *International Trade*. Robert C. Feenstra and Alan M. Taylor. Worth Publishers, 4th Edition.
- *International Economics: Theory and Policy*. Paul R. Krugman, Maurice Obstfeld, and Marc Melitz. Pearson, 10th Edition.
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Prerequisites and Exclusions

Prerequisites:

- ECO200Y1 / ECO204Y1/ ECO206Y1
- ECO220Y1 / ECO227Y1 / (STA237H1, STA238H1) / (STA247H1, STA248H1) / (STA257H1, STA261H1)

Exclusions:

- ECO230Y1, ECO231H1, ECO232H1

For more details, please read the departmental policy regarding enrolment, prerequisites, and exclusions. For assistance with enrolment, please contact Sally Wong (ugadministrator.economics@utoronto.ca) if you are an economics student, or Jenny Fan (jenfan@chass.utoronto.ca) if you are a commerce student.

Grading Scheme

The grading scheme for the course will be as follows:

Problem Sets:	16%
Quizzes:	9%
Midterm Examination:	35%
Final Examination:	40%

Problem Set Schedule and Marking Scheme

<u>Problem Set No.</u>	<u>Assignment Date</u>	<u>Due Date</u>
1	6 May	13 May
2	13 May	20 May
3	20 May	27 May
4	3 June	10 June

The problem set schedule is tentative and may be subject to change depending on how the pace of the course develops throughout the term.

Assignments will be due by 10:00 AM (before the class) on the respective due dates. Assignments submitted past this time will be considered late. For the purpose of streamlining the submission, grading, and returning of problem sets, **all assignments must be submitted online via Crowdmark.**

Problem sets will be graded on a ✓-, ✓, ✓+ basis, corresponding to scores of 4/10, 8/10, and 10/10 respectively. Each problem set counts 4% towards the final grade.

Quiz Schedule and Marking Scheme

A quiz containing ten multiple choice questions will follow each lecture. This means there will be eleven quizzes in total throughout the semester. **Only the best nine out of eleven will count towards your final grade.** The quiz will be posted on Quercus. All quizzes are due at 11:59 pm on the Friday of the week they are assigned. No late submission will be allowed. Failing to complete a quiz on time will result in a grade of zero.

The coverage of each quiz is within the lecture which it follows. The multiple-choice questions will not involve substantial mathematical derivations. Rather, they will mainly ask about the economic intuitions and empirical regularities discussed in lectures. The goal of these quizzes is to 1. encourage students to keep up with the course progress and review the lecture notes regularly; 2. develop better understanding and application of the economic tools as the course progresses.

The quizzes are automatically graded by Quercus, so no regrading request will be approved.

Tutorials

Starting from the second week, there will be a one-hour tutorial following the end of the lecture on Thursday. The tutorial will be held by the TA to cover 1) the problem set due for the day, or 2) practice problems posted before the tutorial or 3) solutions to the midterm exam. Both the tutorial recordings and the problem set/practice question solutions will be posted afterwards. The plan for each tutorial will be announced in the lecture every week. For the first week, the tutorial time will be used by the instructor on the course material. For the week of the midterm examination, the tutorial will be moved to Tuesday.

Course Schedule

The date and expected coverage of each course and tutorial are listed below:

<u>Lecture</u>	<u>Date</u>	<u>Topic</u>	<u>Suggested Reading</u>	<u>Note</u>
1	4 May	Introduction	FT Ch. 1 / KOM Ch. 1 & 2	
2	6 May	The Exchange Economy	-	
3	11 May	The Ricardian Model	FT Ch. 2 / KOM Ch. 3	
4	13 May	The Specific Factor Model I	FT Ch. 3 / KOM Ch. 4	PS1 due + Tutorial
5	18 May	The Specific Factor Model II	FT Ch. 3 / KOM Ch. 4	
6	20 May	The Heckscher-Ohlin Model I	FT Ch. 4 / KOM Ch. 5	PS2 due + Tutorial
7	25 May	The Heckscher-Ohlin Model II	FT Ch. 4 / KOM Ch. 5	Tutorial
-	27 May	MIDTERM EXAM		PS3 due
8	1 June	Trade and Labor Market	-	Last day to cancel classes
9	3 June	Variety Gain from Trade	FT Ch. 6 / KOM Ch. 7	Tutorial on Midterm
10	8 June	Trade Policy I	FT Ch. 8 & 9 / KOM Ch. 9	
11	10 June	Trade Policy II	FT Ch. 11 / KOM Ch. 10	PS4 due + Tutorial
-	17-28 June	FINAL EXAM PERIOD		

The course outline, especially after the midterm exam, is tentative and may be subject to change.

Midterm Examination

There will be a 2-hour midterm examination held on **27 May, 2021** during the class time. The exam will cover material from Lectures 1-7 and will be conducted synchronously. **All midterm exam answers must be submitted online via Crowdmark.**

Final Examination

There will be a 3-hour final examination held during the final examination period (exact date TBD). The final exam will cover material from all lectures of the course and will weight all material equally. You will have a 24-hour window to finish the 3-hour exam.

More details on the examinations will be announced later.

Contact

Given the move to online teaching this term, one of the priorities of the course is to maximize contact time with students. There are four ways in which students will be able to engage with the course instructor and TAs:

1. Zoom chat. Students are encouraged to ask questions in real time during the lecture live-streams using the chat tool.
2. Quercus discussion boards. There will be an active discussion board for each lecture on the course Quercus website. Students will be able to post questions on these discussion boards and questions will be answered by the course instructor and TAs.
3. Online office hours. The course instructor and TAs will hold weekly office hours as stipulated above. These will be held online via Zoom.
4. Email. For issues that cannot be resolved through the above avenues, students can also contact the course instructor or TAs via email.

Policy for Late Problem Sets and Extension Requests

Late problem sets will not be accepted and will receive a score of zero. If you wish to request for an extension of a problem set deadline, you must do so at least 48 hours prior to the deadline. Extensions will be granted only for legitimate reasons supported by appropriate documentation, and the granting of extensions will be at the discretion of the course instructor and the TA. Please note that each student will be granted no more than one problem set extension throughout the course.

Policy for Missed Midterm and Final Examinations

If you are unable to sit for the midterm or final examination at the stipulated date and time for any reason, you must inform the course instructor via email at least **two hours before the exam**. Note that the usual Verification of Illness (VOI) form will not be required this term. Instead, students who miss the midterm or final exams should report their absence through the online absence declaration tool, which is available on ACORN under the Profile and Settings menu.

If it is agreed that your absence was justified, you will be allowed to sit for a make-up exam, which will be held within one week of the original exam. Note that you will receive a score of zero on the midterm or final exam if any of the following occur:

- you fail to inform the course instructor of your absence at least two hours before the exam;
- you miss the make-up exam without valid reasons.

There will strictly be no exceptions to this policy. If a student misses the midterm make-up exam with a valid reason, then the weight of the make-up midterm exam will be shifted towards the final exam. The validity for not medical-related reasons to miss the exam will be left to the discretion of the course instructor and the TA. To the best of your capabilities, you should inform us of any of these reasons as early as possible.

If a student misses the final exam and the make-up exam, then it becomes the responsibility of Arts and Science. The student will be asked to submit the proper documentation to their College Registrar's and they will organize to make you write a final examination during a future semester.

Policy for Regrading Requests

If you would like to make a case for receiving a different grade on a problem set or exam, please note that you have *one week* from the date the problem set or exam is returned to you to submit a regrade request. Absolutely no assignments will be regraded beyond this time limit. Material submitted for regrading must be accompanied by a brief written explanation detailing your reasons for receiving a different grade. Be as specific as possible (e.g. correction of addition errors in calculating a grade, a specific point or step that the grader missed, etc.).

The item will first be returned to the TA who originally graded it. If you are still dissatisfied, it may be passed on to the course instructor at the instructor's discretion. Note that in agreeing to resubmit your work for remarking, you are agreeing to a re-evaluation of your work that may see your grade go up, go down, or stay the same.

Academic Integrity

All students, faculty, and staff are expected to follow the University's guidelines and policies on academic integrity. For students, this means following the standards of academic honesty when writing assignments, citing and using source material appropriately, collaborating with fellow students, and writing tests and exams. Ensure that the work you submit for grading represents your own honest efforts. Plagiarism representing someone else's words as your own or submitting work that you have previously submitted for marks in another class or program is a serious offence that can result in sanctions. Speak to the course instructor or TAs for advice on anything that you find unclear. Also, see the U of T writing support website at www.utoronto.ca/writing. Consult the Code of Behaviour on Academic Matters for a complete outline of the University's policy and expectations.

Ongoing Learning Disability or Accommodation Requirement

Students with diverse learning styles and needs are welcome in this course. If you have an ongoing disability issue or accommodation need, you should register with Accessibility Services (AS) (accessibility.utoronto.ca) at the beginning of the academic year. Without registration, you will not be able to verify your situation with your instructors, and instructors will not be advised about your accommodation needs. AS will then assess your medical situation, develop an accommodation plan with you, and support you in requesting accommodation for your course work. Remember that the process of accommodation is private: AS will not share details of your condition with any instructor, and your instructors will not reveal that you are registered with AS.

Religious accommodation

As a student at the University of Toronto, you are part of a diverse community that welcomes and includes students and faculty from a wide range of backgrounds, cultural traditions, and spiritual beliefs. The course instructor will make every reasonable effort to avoid scheduling tests, examinations, or other compulsory activities on religious holy days not captured by statutory holidays. Further to University Policy, if you anticipate being absent from class or missing a major course activity due to a religious observance, please let the course instructor know as early in the course as possible, and with sufficient notice (at least two weeks), so that alternate arrangements can be made.

Quercus Information

This course uses the University's learning management system, Quercus, to post information about the course. This includes posting readings and course assignments, as well as sharing important announcements and updates. The site is dynamic and new information and resources will be posted regularly as we move through the term, so please make it a habit to log in to the site on a regular, even daily, basis. To access the course website, go to the U of T Quercus log-in page at <https://q.utoronto.ca>. Once you have logged in to Quercus using your UTORid and password, you should see the link for ECO364H1F. Click on this link to open the course area, view the latest announcements, and access your course resources.

Please also note that any grades posted are for your information only, so you can view and track your progress through the course. No grades are considered official, including any posted in Quercus at any point in the term, until they have been formally approved and posted on ACORN at the end of the course. Please contact the course instructor as soon as possible if you think there is an error in any grade posted on Quercus.

Copyright

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor, the University, and/or other source depending on the specific facts of each situation, and are protected by copyright. In this course, you are permitted to download session videos and materials for your own academic use, but you should not copy, share, or use them for any other purpose without the explicit permission of the instructor.

For questions about recording and use of videos in which you appear please contact your instructor.