Econ 140: International Trade  
Spring Quarter 2011

Class Hours: T,Th 12-1:45 pm  
Instructor: Bob Baden
Location: Kresge Classroom 327  
Office: E2 459
Class website: http://people.ucsc.edu/~rbaden/econ140.htm  
Office Hrs: T-Th 10:30-11:30am

Overview: Econ 140 is a first course in international trade. The course covers the theory of international production and trade. Ricardian, Specific Factors and Heckscher-Ohlin models of comparative advantage will provide a foundation for understanding more applied topics such as imperfect competition, international factor movements, and trade policy.


Prerequisites: Economics 100A or 100M.

Class Meetings: Lectures will meet at Kresge Classroom 327, on Tuesdays and Thursdays from 12:00 noon to 1:45 pm. You will also have one Discussion Section per week, and attendance to at least one session is required. Discussion Sections will be an important complement to the lectures, as they will help you understand material from the lectures and problem sets. Aadil will also hold two office hours per week.

Sections:  
01A  Aadil Nakhoda  Wednesday  PhysSci 130  12:30 pm – 1:40 pm
01B  Aadil Nakhoda  Friday  PhysSci 130  9:30 am – 10:40 am

TA Office Hours:  
Aadil Nakhoda  Wednesday  Eng 2 403G or 495  2:00 pm – 4:00 pm

Requirements and Grading:
1) The required text is International Trade, 2nd edition, by Feenstra and Taylor. This text is widely available and will also be placed on reserve at the library. We will use the 2nd edition, but the 1st is acceptable as well. The Study Guide with Worked Examples by Stephen Ross Yeaple is recommended but not required. Additional readings may be assigned during the quarter.

2) Exams – There will be two midterm exams worth 30% of the grade and a comprehensive final exam worth 50%. The final exam is scheduled for 8:00 – 11:00 am on Monday, June 6, 2011. I will not offer make-up exams for either of the midterms or the final.

3) Problem Sets – There will be 5 problem sets throughout the quarter, and these are worth a total of 20%. The problem sets will be graded, however the lowest problem set grade will be dropped. No late problem sets will be accepted. If you have an emergency that prevents you from turning in a problem set, I will count that as the lowest grade.
A problem set will consist of 5 problems. One randomly chosen problem will be graded for its arguments and correctness (worth 3 points). Two randomly chosen problems will be graded for effort (worth 1 point each).
Group discussion is encouraged in working on the problem sets; however you must hand in your own problem set with explanations (when applicable) in your own words. If a problem requires calculations or math, you must show your work.
**Miscellaneous:**
If you qualify for classroom accommodations because of a disability, please get an Accommodation Authorization from the Disability Resource Center (DRC) and submit it to me in person outside of class (e.g., office hours) within the first two weeks of the quarter. Contact the DRC at 459-2089 (voice), 459-4806 (TTY), or http://drc.ucsc.edu for more information on the requirements and/or process.

The website for the course is: [http://people.ucsc.edu/~rbaden/econ140.htm](http://people.ucsc.edu/~rbaden/econ140.htm). Please check it for course updates and additional readings during the quarter. I will place problem sets on the course website. Cheating during the exams will not be tolerated. If you are caught cheating during one of the exams, I will fail you and report the incident to the University. It is not worth it!

**Tentative Class Schedule:**
Week 1: Tuesday March 29th and Thursday March 31st
Chapter 1 – Trade in the Global Economy & Chapter 2 – Trade and Technology: The Ricardian Model

Week 2: Tuesday April 5th and Thursday April 7th (Problem Set 1 due)
Finish Chapter 2 & Chapter 3 – Gains and Losses from Trade in the Specific Factors Model

Week 3: Tuesday April 12th and Thursday April 14th
Finish Chapter 3 & Chapter 4 – Trade and Resources: The Heckscher-Ohlin Model

Week 4: Tuesday April 19th and Thursday April 21st (Problem Set 2 due)
Finish Chapter 4 & Chapter 5 – Movement of Labor and Capital between Countries

Week 5: Tuesday April 26th – **Midterm 1** – Covering Chapters 1, 2, 3, 4
Thursday April 28th – Finish Chapter 5

Week 6: Tuesday May 3rd and Thursday May 5th (Problem Set 3 due)
Chapter 6 – Increasing Returns to Scale and Monopolistic Competition

Week 7: Tuesday May 10th and Thursday May 12th
Chapter 7 – Offshoring of Goods and Services

Week 8: Tuesday May 17th and Thursday May 19th (Problem Set 4 due)
Chapter 8/9 – Import Tariffs and Quotas under Perfect/Imperfect Competition

Week 9: Tuesday May 24th - **Midterm 2** – Covering Chapter 5, 6, 7, 8
Thursday May 26th – Chapter 10 – Export Subsidies in Agriculture and High-Technology Industries

Week 10: Tuesday May 31st and Thursday June 2nd (Problem Set 5 due)
Chapter 11– International Agreements: Trade, Labor, and the Environment

Debates, Exam Reviews in Sections

**Final Exam:** Monday June 6, 2011 from 8-11 am.

**Do not enroll in this course if you cannot attend the final exam.**