International Trade

Basics University at Albany, SUNY   Spring 2016
International Trade, ECO 445

Class time: 10:25-11:20AM Monday, Wednesday & Friday
Class location: BA 229

Course website: http://www.albany.edu/~rossbach/eco445.html

Instructor Jack Rossbach   Office hours: 2:15-3:15PM Wednesday
jrossbach@albany.edu   Office location: BA 109B

Course Description This course will cover theoretical and quantitative aspects of international trade. Our focus will be international flows of goods and services, and we will largely abstract from exchange rates and international capital markets, which are covered in ECO 446. We will review Ricardian and Heckscher-Ohlin theories of trade before moving on to more modern models featuring monopolistic competition and firm-level heterogeneity. We will review the gravity literature, familiarize ourselves with datasources for international trade flows, and briefly discuss international trade agreements and optimal trade policy.

Assessment Methods **Problem Sets**   60%
There will be short assignments based off textbook readings most weeks (25%). In addition, there will be two or three major problem sets/projects (35%) assigned over the semester. ASSIGNMENTS MUST BE TYPED (word, latex, mathtype, lyx, etc) and can be submitted in person or by email. Assignments will be penalized 10 points each week they are late, and penalized 15 points if they are not typed (out of 100).

Class Discussion   10%
Students will be asked to read and discuss recent articles on international trade and relate them to material covered in class.

Exams   30%
There will be a midterm (10%) and a cumulative final exam (20%).

Grading Scale A-F with standard cutoffs.

Course Materials Textbook: International Economics: Theory and Policy by Krugman, Obstfeld, and Melitz 10/E with MyEconLab.
Lecture notes and slides will be available on the course website.

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Topics	**Preliminaries** Gains from trade, Ricardian models of trade, comparative advantage
	Factors of Production Specialization, Heckscher-Ohlin models of trade, winners and losers from trade
	New Trade Theory Monopolistic competition, increasing returns to scale
	Heterogeneity Export decisions, multi-dimensional Ricardian models, the extensive margin
	Trade Policy Free trade agreements, tariff and non-tariff barriers, political economy
	Additional/Optional Gravity regressions, regional economics, spillovers and externalities
Pearson MyLab	Students must sign up for Pearson MyEconLab using their textbook access code URL: http://www.pearsonmylabandmastering.com/ Course ID: rossbach36435 Detailed student registration instructions are available on the course website
Course Goals	Following the completion of this course students should -Understand modern and historic perspectives on international trade -Gain familiarity with data sources available for studying international trade flows -Be able to solve economic models of trade both analytically and computationally -Have the tools and knowledge to manipulate and interpret data through the lens of the economic models and theories studied in this course
Additional Policies	No late work will be accepted following the last day of class. Exams will be rescheduled only for university approved reasons. Students must notify me at least a week in advance if they require an alternative exam time.
Absences	http://www.albany.edu/health_center/medicalexcuse.shtml
Academic Integrity	http://www.albany.edu/undergraduate_bulletin/regulations.html