

Lecture Info: Tu,Th, 10.50–12.05 | 220 Long

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Office Hours: Tu,Th 10.30–10.50, 1.00–1.40, 3.00–3.30; M,W by appointment, 9.00–3.00

I. COURSE DESCRIPTION: This course provides an in–depth examination of the theory of international trade, along with analysis of related government policies. The course has three main parts. In part 1 we examine international trade theory, primarily the Ricardian trade model, the most basic form of which you probably covered in ECON 200/201. Part 2 focuses on policy and ethical issues. These include immigration, the effects of tariffs and quotas, arguments given for trade restrictions and protectionism, developing economies, and international trade organizations like the WTO. Part 3 of the course will be a brief introduction to currency exchange rates and related government policies.

This course is not about running international businesses. However, the material in the course can be critical to understanding the global environment under which many businesses operate. It may surprise you to find that most of what politicians and the media say about trade is misinformed or just plain wrong. Prior to the Trump administration, most economists would probably have agreed with the direction in which U.S. trade policy was moving. But with Trump, everything has changed. His views and policies are in stark contrast to what is generally prescribed by economists. Ironically, despite his love of tariffs and other protectionist policies, Trump has claimed to like free trade. One of the biggest challenges in developing this class is reconciling the recent direction of the U.S. with trade theory and what has been happening in the rest of the world with respect to trade policy.

The key purpose of this class is to provide you with the tools necessary to objectively evaluate international trade policies, whether from the Trump administration or others that will follow. The theoretical material will be covered in lectures, with supplementary information from videos and readings. Your knowledge will be tested on quizzes and exams.

Catalog Description: An approach to the problems of international economic interdependence with special attention given to trade, protection, trade policy for developing countries, international investment, the balance of payments, foreign exchange, exchange rate systems, and international economic policy.

Prerequisite: ECON 200, 201; MATH 105 or 120; or permission of instructor.

Course Outline: To see a detailed outline, including reading assignments, go to the course webpage. General topic listing: A. Review; B. Intro; C. History; D. Ricardian model; E. Increasing costs; F. International equilibrium; G. Factor–endowment theory; H. Competitiveness; I. Intra–industry trade; J. International factor movements; K. Politics of trade; L. Tariffs; M. Non–tariff distortions; N. Trade policy; O. Regional trade arrangements; P. International trade and growth; Q. National income accounting; R. Exchange rates; S. Summing up. This outline may change; please check it frequently on the course webpage.

Web Page: My web page (walkerd.people.cofc.edu) for the course has the course outline, reading assignments, exam dates, book information, etc. This material is considered part of this syllabus, and you are responsible for it. Note that I do not currently use OAKS.

II. BOOKS: There are two required books for the course. The books provide an overview of international trade theory and policy. Lectures will focus on theory. The Trump administration’s policies have made most traditional textbooks outdated, even the most recent edition published in late 2018. Instead of requiring a textbook, I will offer several recommendations, in case you need a text to supplement the lecture material.

Required Books (get both):

- (1) Roberts, R. The Choice: A Fable of Free Trade and Protectionism, 3e. © 2007. ISBN 0131433547
- (2) Rivoli, P. The Travels of a T-Shirt in the Global Economy, 2e. © 2015. ISBN 9781118950142

Recommended Textbooks (choose one):

- (3) Carbaugh, International Economics, 17e. © 2019. ISBN 978-1-337-55893-8
- (4) Sawyer & Sprinkle, International Economics, 3e. © 2008. ISBN 978-0-13-605469-6
- (5) Sawyer & Sprinkle, Applied International Economics, 4e. © 2015. ISBN 978-0415746212

You should order the required books (1,2) from Amazon. I will place several textbooks (3,4,5) on reserve at the library in case you decide not to buy one of the recommended texts listed above.

III. HOW TO SUCCEED: Most of the lecture material focuses on economic models. Since a textbook is not required, it is critical that you attend the lectures. Also be sure that you keep up-to-date with the readings. Because you are enrolled in a 300-level class, it is assumed that you know how to study and have the ability to manage your time well. Finally, I strongly recommend that you re-draw the graphs from the models we develop in lectures. Do this until you understand exactly what is being shown and why.

Getting Help: If you have been attending lectures and studying your notes and the material is still not clear to you, please visit me during office hours to get help. Bring your lecture notes (original and re-written), as well as any other work you have done to help learn the concept(s). If you need help, please ask. But do not wait until right before the exam!

Office Hours & Communicating with Me: I encourage you to come talk to me anytime you have questions about the class material. If my posted office hours are inconvenient, just stop by at your convenience or make an appointment. I prefer not to communicate by email, mainly because I don't keep up with it, and I have a lot of students. If you do send email to me (WalkerD@cofc.edu), please do not expect an immediate reply. Under no circumstances do I discuss grades via email or over the telephone. For questions about your grade, please come to my office.

IV. ASSIGNMENTS & GRADING: Your grade will be determined by your performance on exams and quizzes, and an optional current events journal. The point values for the different assignments are listed below. The key difference between the two options is that Option 2 omits the current event journal, and places higher weight on the exams.

<u>Option 1</u>	<u>Point Values</u>	<u>Option 2</u>	<u>Point Values</u>
Midterm Exam	75	Midterm Exam	100
Final Exam	75	Final Exam	100
Quizzes (6-10)	100	Quizzes (6-10)	100
Current Events Journal	50		
		<i>Total Points</i>	<i>300</i>
<i>Total Points</i>	<i>300</i>		

There are two exams in the course, a mid-term and a final exam. The exams will cover the theory developed in the lectures. In addition, there will be a series of quizzes that will cover the books (Roberts and Rivoli) and the *Commanding Heights* video series.

Quiz Schedule: Quiz dates will be announced in class shortly after the beginning of the term. Quizzes will be given over the two required books and the *Commanding Heights* video series.

Exam Schedule: The midterm exam is tentatively scheduled for **March 7, 12, or 14**, assuming we get through the scheduled material in time. I will give you one week's notice prior to the exam. The final exam period is scheduled by the College, and is **Tuesday, April 30, 8:00-11:00**. Note that you are required to take the final exam during this period.

Missing Quizzes or the Midterm Exam: Don't miss them. If you do miss one quiz or the midterm exam, your final exam will replace the missed assignment without penalty. Beyond your first missed quiz/exam, your final exam grade will replace the missed assignment, but with a penalty (10% for the second, and 15% for subsequent misses).

According to College policy, you must take the Final Exam at the day/time scheduled by the College. I will not reschedule the Final Exam for individual students, except in cases of medical emergency. In such cases, you must provide documentation of the emergency prior to a make-up exam being offered. Please attempt to contact me prior to the Final Exam time if possible. Although College policy allows students with three final exams scheduled on the same day to petition to reschedule one exam, I generally do not approve such petitions.

Make-up exams/quizzes are not offered, except to College athletes who have official athletic events, or to students who observe religious holidays that conflict with exams. To qualify for a make-up exams or quizzes, by Tuesday, January 29 you must provide a schedule of official athletic events or religious holidays during the semester. If you miss this deadline, I am not obligated to offer you make-ups.

Grades: Your grade will be calculated based on the point values in the table above. You choose option 1 or 2 when you turn-in your first Current Events Journal assignment, which will be due early in the semester. If you do not turn in the assignment by the due date, then you automatically choose grading option 2. Your course grade will be no longer than that indicated by the scale below.

A 90-100% (270-300 pts.)	B 80-89.9% (240-269 pts.)	C 70-79.9% (210-239 pts.)	D 60-69.9% (180-209 pts.)	F 0-59.9% (0-179 pts.)
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Plus/minus grades are assigned for borderline grades, within 2% of the next grade. For example, an A- is 90-91.9% (270-275 pts.); a C+ is 78-79.9% (234-239 pts.).

Negotiating Grades: Grades are not negotiable. My grading policy is straightforward and transparent, and all students are treated equally. I am simply a "scorekeeper" when it comes to assigning course grades. Please do not ask me to arbitrarily raise your grade, to offer you individual "extra credit," or other special treatment. This would be unfair to other students, and my answer to such requests is always "no". You are an adult; please take responsibility for your performance in class.

Grade Appeals: If you believe an exam/quiz was graded erroneously, you must explain your concern to me in person, at my office, within one week of the exam date. After that time, no grade changes will be made. It is your responsibility to meet this deadline if you wish to appeal a grade.

Extra Credit: I may offer the class limited opportunities – usually attending guest lectures – for extra credit points. However, you should not expect extra credit to have a large impact on your course grade. Extra credit is not guaranteed, and I am not obligated to provide opportunities that fit every student's schedule and/or preferences. Additional details of any extra credit opportunities will be announced in class.

Midterm Grades: The College requires faculty to enter midterm grades for all students around the end of February. By that time, we will have had a couple of quizzes, which will be the basis of your midterm grade. I will not post +/- grades at midterm, although these will be used for final course grades. If you have not taken any quizzes by the time I submit midterm grades, yours will automatically be entered as F.

Withdrawing from the Course: The last day to withdraw from the course (with a W grade) is Monday, March 25. You will have received your graded midterm exam by this date. If you are not happy with your midterm exam grade, I recommend that you drop the class, as this grade will be a large component of your course grade.

Students with Learning Disabilities: Please submit a copy of the Professor Notification Letter from the Center for Disability Services/SNAP (Lightsey Center 104) to me at my office by Tuesday, January 29. To take the exams elsewhere under the SNAP program, please provide the request form to me at least 3 weekdays before an exam.

V. ATTENDANCE POLICY: I recommend that you attend all lectures, but I do not record attendance beyond the “attendance verification” process required by the College, until just after drop/add period. Keep in mind that we will be having quizzes during quite a few class sessions, so if you miss classes it may negatively affect your grade. Be aware of the make-up policy, listed above in section IV.

I do not encourage or require advance notice of, or excuses after, lecture absences. I do not repeat lectures to students who miss class, whatever the cause of absence.

VI. CHEATING: I take cheating very seriously. If you are caught cheating or attempting to cheat, the penalty is an XXF grade for the course. For more information, see the Honor Code in the CofC *Student Handbook*, which is available online. Ignorance of college rules is not an excuse for breaking them. During exams I will ask that students remove hats, conceal books and notes, put away calculators, and turn off phones. I may also rearrange seating before and during exams.

VII. OTHER ADMINISTRATIVE INFORMATION:

Catalog Description: “An approach to the problems of international economic interdependence with special attention given to trade, protectionism, trade policy for developing countries, international investment, the balance of payments, foreign exchange, exchange rate systems, and international economic policy.”

Course Objectives: Students will gain factual knowledge of the market economy, develop critical thinking and analytical skills through understanding of the following economic models and concepts: (1) the basic principles of scarcity, choice, and opportunity cost; (2) the principle of comparative advantage; (3) the principle of increasing opportunity cost; (4) the impact of trade, trade restrictions and taxes on markets; (5) basic understanding of the international financial system.

Department of Economics/School of Business Learning Goals: This course will contribute to the Department goal of “understanding major economic problems” and the School of Business goals of “quantitative fluency” and “global and civic responsibility.” The topics examined in the course are among the most important current political and economic debates in the U.S. and around the world. An understanding of these issues is developed through readings and by using graphical models of various international economic variables and policy tools. Students demonstrate the achievement of these goals through their performance on quizzes and exams.