

**ECON 462/662 – International Trade**

University of Nevada, Reno  
MW 2:30 - 3:45 PM  
AB 102

**Professor Elliott Parker**

Office: AB 319-C  
Office Hours: MTW 4:00 – 5:00 PM  
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**Fall 2009  
Short Syllabus**

The full syllabus for this course is on my homepage at <http://www.coba.unr.edu/faculty/parker/econ462>. You will also be subscribed to the [econ462@unr.edu](mailto:econ462@unr.edu) e-mail list, and if you have a spam feature you may need to explicitly allow messages from this list.

**Description:**

ECON 462/662 is intended as an overview of the theory of international trade. It is essential that you have passed your principles courses, and have a working knowledge of algebra and geometry, for we will learn many of the tools of the economist. Topics covered will include the pure theories of trade (Ricardian, Heckscher-Ohlin, and others), the basis and effects of barriers to trade, industrial policy, U.S. trade policy, free trade zones such as NAFTA or the EU, and the role of international institutions such as the International Monetary Fund and the World Trade Organization. We will consider the effects of international trade on economic growth and income distribution as well as the ongoing debate over free trade. This course is the first part of a two-course sequence, which used to be taught as the single course ECON 458. ECON 463 (International Monetary Relations) is usually offered in the Spring.

**Readings:**

*International Trade* (2008), by Robert C. Feenstra & Alan M. Taylor (Worth Publishers).  
There will be some additional readings on the website.

**Grading:**

*Group homework* (totaling 30%), with peer evaluations.  
*Quizzes* (4 in-class quizzes, 20% total).  
*Midterm examination* (25%).  
*Final examination* (25%).

Homework will be assigned weekly, and be done in groups. You will grade the contribution of your classmates to the group, and the rules for peer evaluation are available on the course website. Quizzes will be announced in advance, and are intended to check your understanding of the basic models. Exams will be generally problem-oriented, as based on the textbook and the lectures (past exams are available on the website). The final examination will be given at the time listed in the Fall Schedule, and university policy forbids early exams. Makeup exams will be given only under very unusual circumstances. Good participation and attendance will help your grade if you are on the margin; I expect that you will not arrive late or leave early without explanation, and I expect you to keep up with the assigned readings and contribute to class discussion.

**Graduate Student Requirements:**

To receive graduate credit for this course, significant additional work is required. For graduate students, grades will be based on a research paper (25%), the group homework (25%), the midterm (25%), and the final (25%). Quizzes will not be graded, though graduate students may take them for feedback. Any deviation to these weights must be negotiated with the professor by the beginning of the second week.

**Lecture Schedule:**

- I. Introduction to International Trade - 1 week
  
- II. International Trade Theory - 7 weeks
  - A. The Ricardian Model
  - B. The Neoclassical Models
    - 1. The Heckscher-Ohlin Model
    - 2. The Specific Factors Model
    - 3. The Leontief Paradox, and Other Trade Theories
    - 4. The General Trade Model
  - C. Imperfect Competition Models

*The Midterm Exam is scheduled for Wednesday, October 21.*

- III. Trade and International Investment - 2 weeks
  - A. International Factor Movements
  - B. Exchange Rates, Investment, and the Balance of Payments
  
- IV. Commercial Policy, and the Political Economy of Trade Policy - 5 weeks
  - A. Tariffs, Subsidies, and Non-Tariff Barriers
  - B. Trade in Developing Economies
  - C. The Case for and against Protectionism
  - D. The Political Economy of Trade Policy
  - E. The Globalization Debate: Theory and Evidence

*The Final Exam is scheduled for MONDAY, DECEMBER 14, 2:15-4:15 PM.*

**Cheating:**

Any cheating will be *severely punished*, ranging from failing the exam or assignment at a minimum to failing the course and even expulsion from the university, in egregious cases or in cases where there is evidence of any prior offenses. See the full syllabus for more information.

**Students with Disabilities:**

Any student who qualifies with a disability is to provide his or her instructor with a letter from the Disability Resource Center stating the appropriate accommodations for this course. If you have a documented disability and wish to discuss how these academic accommodations will be implemented for this course, please contact the instructor during the first two weeks of class