

Clark University
Department of Economics

ECON207 International Trade Theory

Version: 2024/08/30

Lecture Information

Time: Monday and Wednesday 12:00 pm – 1:15 pm
Location: JC204

Instructor and TA Information

Professor Kensuke Suzuki
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Office JC221
Office hours Tuesday 3–5 pm and by appointment

Scope of the Course

This course develops basic theories of international trade and firm behavior and uses them to address policy issues in the real world. Applied topics include the effects of international trade and outsourcing on wages, the role of trade and technical change in explaining recent trends in inequality, trade and the environment, the effects of tariffs under Trump, COVID and its implications for trade. Students are required to have taken ECON010 (Economics and the World Economy) and ECON011 (Principles of Economics). ECON205 (Microeconomic Theory) is strongly recommended. There will also be some empirical assignments that may involve basic statistical analysis. If you are unsure of your ability to handle the course material, please come and talk to me.

Learning Objective

This course satisfies the requirements for the economics major (or minor). In addition, the course fulfills the LEEP learning outcomes through the lectures, problem sets and research paper: students will (i) deepen their knowledge of the world economy (by collecting/generating and comparing economic data of different countries, and by being up-to-date with the current events); (ii) develop analytical and application skills (by quantitatively analyzing data, and by applying economic models and critically evaluating economic issues or policies), and (iii) integrate their knowledge and skills (by connecting theories learned in the class to the real-world events).

Textbook and Readings

There is one required textbook for this course: McLaren, John, *International Trade*, 1st Edition, Hoboken, New Jersey: Wiley, 2012. All other supplemental readings and class-related materials will be posted on the course website, which will be on Canvas.

Grading

Grades will be based on the following components:

- 6-8 homework assignments (combined worth 25%)
- Midterm exam (20%) and final exams (30%) based on material covered since the last exam
- Final research paper and in-class presentation (worth 20%)
- Attendance (5%)

There are chances to obtain up to 5% in extra credit.

Homework assignments

You are encouraged to work in a group on problem sets but each student must do the problem set individually. Assignments are due by the end of class. Assignments turned in after class must be accompanied by a valid excuse. In the absence of a valid excuse, assignments will lose half the points if turned in within 24 hours and will not be accepted thereafter. Do not despair if you do badly in a problem set. The worst problem set will be dropped. Copying a problem set will only hurt you as you will not be able to do the exam unless you are capable of doing the problem set by yourself. In addition, anyone found to be copying verbatim from a friend or from answers that might have been posted online in the past will lose all credit for the problem set and one more as a penalty. We are happy to help with problem sets so copying is a dominated strategy.

Exams

All exams will be biased toward material covered since the last exam. However, the material is cumulative as later material builds on earlier material so it is inadvisable to skip parts of the course. There will be no makeup exams. Absence of midterm (with a valid excuse) will mean the weight given to the midterm exam will be allocated to the final exam. Unexcused absences will result in zero marks.

Final Research Paper and Presentation

For the final research paper, you will choose a current news article on the state of a country's economy (related to international trade) or case studies. You will provide a short analysis of the economic issues and policies described in the article referring to the economic theories we cover in class. You will present a paper in class (approximately 10 minutes). Details will be announced later.

Attendance

Attendance is required. It is not permitted to sign for anyone else. If you miss 0-2 classes, you get 5% and 1 percentage point is deducted for every class missed from then on so missing 7 classes or more gives you 0 points. You may sign a sheet for the first 10 minutes of each class. If you need to leave early please inform me before the event. Anyone who has signed in and who is not there will lose all attendance points. Do not sign in and leave, or sign in for anyone else. You are not doing them any favors.

Extra Credit: Participation and

There are chances to get extra credit up to 5% (following two combined):

Class participation is immensely valuable, not only for the individual participating but also for the rest of the class that benefits from the questions asked or answers provided. Participation cards are given for good questions or answers. Please write your name and sign the card and turn it into me at the end of class. Each card counts for 1/3 of a percentage point.

Practice exam is another chance to get extra credit. Before each exam, I will distribute the practice exam for your review and preparation for the exam.

No other opportunities will be given for the extra credit.

Engaged Academic Time

Every 1 unit/credit hour course at Clark has 180 hours of associated engaged academic time. In this course, on average, the hours are likely to be divided as follows:

- Class time: 35 hours (28 classes x 1.25 hours)
- Readings for class: 42 hours (28 classes x 1.5 hours)
- Problem sets: 36 hours (4 x 9 hours)
- Review for exams: 32 hours (2 x 16 hours)
- Research Paper: 35 hours (5 x 7 hours)

Capstone

The Economics Department requires all majors to complete a capstone requirement in their senior year. The capstone requirement exists to bring together the strands of your studies. It allows one to combine the economics and quantitative techniques studied in earlier courses. It is required for graduation. ECON 207 is an approved 200-level course in which students can meet the capstone requirement by doing a capstone project.

All students doing capstone projects are required to present a poster describing their project at an Economics Department poster session at the end of the semester (the fall semester poster session will be held on **December 11, 2023 at 4:15 PM**). You must be present for the capstone session.

Academic integrity

All students are expected to adhere to Clark's standards of academic integrity; this means that all work must be entirely your own and entirely unique to this course. Plagiarism and other forms of cheating will not be tolerated or excused. For more information, please refer to the university's policy on this issue, available at <http://web.clarku.edu/policies/detailpolicy.cfm?pid=43> or in the student handbook. If you have any questions about proper citation or other related issues, please don't hesitate to come see me.

Turnitin: Writing assignments in this course may be submitted to Turnitin. Turnitin generates a report on the originality of your writing by comparing it with a database of periodicals, books, online content, student papers, and other published work. Make sure you are using sources fairly, citing properly, and paraphrasing effectively.

AI System: To ensure all students have an equal opportunity to succeed and to preserve the integrity of the course, you are not permitted to submit text that is generated by AI systems such as ChatGPT, Google Bard, or any other automated assistance for any classwork or assessments. This includes using AI to generate answers to assignments, exams, or final papers. Using AI in this way undermines your ability to develop critical thinking, writing, or research skills. You may use AI as part of your research and preparation for assignments, but the text that is submitted must be written by yourself. For example, you may use AI to generate ideas, questions, or summaries, and then you revise, expand, or cite properly. Violations of this policy will be treated as academic misconduct. If you have any questions about this policy or if you are unsure whether a particular use of AI is acceptable, please do not hesitate to ask me.

Students with documented disability

Clark University is committed to providing students with documented disabilities equal access to all university programs and facilities. Students are encouraged to register with Student Accessibility Services (SAS) to explore and access accommodations that may support their success in their coursework. SAS is located on the second floor of the Shaich Family Alumni and Student Engagement Center (ASEC). Please contact SAS at accessibilityservices@clarku.edu with questions or to initiate the registration process. For additional information, please visit the SAS website at: <https://www.clarku.edu/offices/student-accessibility-services/>

Title IX

Clark University and its faculty are committed to creating a safe and open learning environment for all students. Clark University encourages all members of the community to seek support and report incidents of sexual harassment to the Title IX office titleix@clarku.edu. If you or someone you know has experienced any sexual harassment, including sexual assault, dating or domestic violence, or stalking, help and support is available. Please be aware that all Clark University faculty and teaching assistants are considered responsible employees, which means that if you tell me about a situation involving the aforementioned offenses, I must share that information with the Title IX Coordinator, Brittany Rende (titleix@clarku.edu). Although I have to make that notification, you will, for the most part, control how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need. If you wish to speak to a confidential resource who does not have this reporting responsibility, you can contact Clark's Center for Counseling and Professional Growth (508-793-7678), Clark's Health Center (508-793-7467), or confidential resource providers on campus: Prof. Stewart (als.confidential@clarku.edu), Prof. Palm Reed (kpr.confidential@clarku.edu), and Prof. Cordova (jvc.confidential@clarku.edu).

FERPA

The link to Clark's policy regarding student privacy under the Family Education Rights and Privacy Act is available here: <https://web.clarku.edu/policies/detailpolicy.cfm?pid=25>

Disclaimer

I reserve the right to make changes to any information contained in this syllabus at any time during the semester. In the event that this happens, an updated version of the syllabus will be discussed in class and distributed via the course website.

Class	Date		Reference
1	Aug 28	Course Orientation Some Stylized Facts of Globalization	McLaren Chapter 1
2	Aug 30	Review of key concepts in microeconomics Exchange Economy	Lecture note McLaren Chapter 2
	Sep 4	<i>Labor Day (no class)</i>	
3	Sep 6	Comparative advantage and the Ricardian model	McLaren Chapter 2
4	Sep 11	Comparative advantage and the Ricardian model	McLaren Chapter 2
5	Sep 13	Comparative advantage and the Ricardian model	McLaren Chapter 2
6	Sep 18	Firm-level scale economies, heterogeneous Firms, and monopolistic competition	McLaren Chapter 3
7	Sep 20	Firm-level scale economies, heterogeneous Firms, and monopolistic competition	McLaren Chapter 3
8	Sep 25	Firm-level scale economies, heterogeneous Firms, and monopolistic competition	McLaren Chapter 3
9	Sep 27	Firm-level scale economies, heterogeneous Firms, and monopolistic competition	McLaren Chapter 3
10	Oct 2	Firm-level scale economies and oligopoly	McLaren Chapter 4
11	Oct 4	Firm-level scale economies and oligopoly	McLaren Chapter 10
	Oct 9	<i>Fall Break (no class)</i>	
12	Oct 11	Review	
13	Oct 16	Midterm Exam (in class)	
14	Oct 18	The specific factors model	McLaren Chapter 5
15	Oct 23	The specific factors model	McLaren Chapter 5
16	Oct 25	The specific factors model	McLaren Chapter 5
17	Oct 30	The specific factors model	McLaren Chapter 5, 12
18	Nov 1	The Heckscher-Ohlin model	McLaren Chapter 6
19	Nov 6	The Heckscher-Ohlin model	McLaren Chapter 6
20	Nov 8	The Heckscher-Ohlin model	McLaren Chapter 6
21	Nov 13	The Heckscher-Ohlin model	McLaren Chapter 6
22	Nov 15	The Heckscher-Ohlin model	McLaren Chapter 6
23	Nov 20	Applications (Environment/Offshoring/Policy)	McLaren Chapter 7, 9, 11, 13
	Nov 22	<i>Thanksgiving Holiday (no class)</i>	
24	Nov 27	Applications (Environment/Offshoring/Policy)	McLaren Chapter 7, 9, 11, 13
25	Nov 29	Applications (Environment/Offshoring/Policy)	McLaren Chapter 7, 9, 11, 13
26	Dec 4	Review	
27	Dec 6	Project presentation	
28	Dec 11	Project presentation	
	Dec 12-17	Reading Days	
	Dec 14-19 (TBA)	Final Exam	