

**Econ 340 – International Trade  
Fall 2020**

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**Course Zoom meeting link:**

<https://sabanciuniv.zoom.us/j/98914027169?pwd=bFdqb1QxMXVvdGpiQ0doNmdVR1pQQT09>

**Course Description:**

This course will analyze the causes and consequences of international trade and investment. We will investigate why nations trade, what they trade, and who gains (or not) from this trade. We will then analyze the motives for countries or organizations to restrict or regulate international trade and study the effects of such policies on economic welfare. Topics covered will include the effects of trade on economic growth and wage inequality, multinationals and foreign direct investment, international trade agreements and current trade policy disputes. We will also spend some time discussing aspects of the current debate on "globalization" such as the use of international labor standards, interactions between trade and environmental concerns, and the role of non-government organizations (NGOs). Although the course will emphasize the understanding of past and current events in the world economy, we will heavily rely on formal economic modeling to help us understand these events.

**Suggested Textbook** Krugman, Paul, Maurice Obstfeld, and Marc Melitz. *International Economics: Theory and Policy*. 10 th ed ( or newer editions) . Addison-Wesley, 2011. ISBN: 9780132146654.

**Textbook Homer online purchase link:**

<https://www.homerbooks.com/urun/international-economics-theory-and-policy>

**Course Outline:**

1. Introduction  
KOM, chapter 1

2. Labor Productivity and Comparative Advantage: The Ricardian Model  
KOM, chapter 3,
3. Specific Factors and Income Distribution: The Ricardo-Viner Model  
KOM, chapter 4: 50-68
4. Resources and Trade: The Heckscher-Ohlin Model (Including Trade and Wages)  
KOM, chapter 5
5. The Standard Trade Model: Welfare Effects of TOT Changes and Economic Growth  
KOM, chapter 6
6. Economies of Scale and International Trade External Economies of Scale and the International Location of Production Internal Economies of Scale and Trade (Monopolistic Competition and Oligopoly) Dumping, Reciprocal Dumping and Antidumping  
KOM, chapters 7 and 8
7. Labor Migration, Foreign Direct Investment and Outsourcing  
KOM, chapter 4: 69-73
8. Foreign Direct Investment and Outsourcing  
KOM, chapter 8: 180-187
9. Instruments of Trade Policy Tariffs and Import Quotas Export Subsidies and Voluntary Export Restraint Agreements Regulations and Standards (Technical Barriers to Trade, Labor Standards)  
KOM, chapter 9
10. Political Economy of Trade Policy Trade Policy to Counter Domestic Distortions Strategic Trade Policy  
KOM, chapter 10

**Grading:**

**Quizzes:** There will be 4 one-hour quizzes. Quizzes are **NOT** cumulative. Each quiz counts for %15 percent of your overall grade. Make up quizzes will be given **after** the final exam. There will be one cumulative make-up quiz, which will count as the grade of all your missed quizzes. So if you miss one quiz or 4 quizzes, you will take one make-up quiz and that will replace the zeros of all your missed quizzes. Quiz dates will be announced one week before the exam date. **Please note that the quizzes will be live and during one hour lectures of our weekly schedule.** Please arrange your schedules accordingly.

**Final** There will be one **cumulative** final exam during the final exam week and the date will be announced by the university. The final constitute %40 of your overall grade. The make-up exam for the final will be given 4 days after the announced final exam date by the university.

***The course grade is solely based on the grading scheme stated on the syllabus. There will be no exceptions to this (like doing additional assignments, writing a term paper etc.)***

**Homework:** There will be ungraded homework assignments. Questions in the homework assignments will be solved by your TA during recitation hours. Recitation hours will be recorded and posted on SuCoursePLUS. You are encouraged to work together on the problems. You are encouraged to form study groups .

**Rules of conduct :** This is an online course that will be taught as synchronous-live sessions during the scheduled class hour. Every session will be recorded and uploaded on SuCourse PLUS. If you miss a class, it is your responsibility to go over the course material.

**Attendance:** Attendance is crucial in order for you to learn the course material.

**Communication:** All class announcements, grades and problem sets will be announced on SuCoursePLUS.

**Academic Integrity:** Receiving help from another student on an exam, giving help to another student on an exam, tampering with a graded exam, presenting another student's work as your own, and lying to the instructor, are all violations of academic honesty. In this course the penalty for cheating on an exam or homework assignment will be a grade of F in the course.