

YORK UNIVERSITY

**FACULTY OF LIBERAL ARTS AND PROFESSIONAL STUDIES
DEPARTMENT OF ECONOMICS**

**ECONOMICS 3150 C: INTERNATIONAL TRADE
FALL 2019**

All course material can be found for this course on Moodle

PREREQUISITES: AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents

INSTRUCTOR: Professor Lazar

Office: N205J, Seymour Schulich Building

Phone: 736-5068

Office Hours: Fridays 12:00-14:00

E-mail: flazar@yorku.ca

LECTURE TIME/LOCATION:

Time: Wednesdays 16:00-19:00

Room: SLH B

No class on September 4.

COURSE DESCRIPTION:

Studies the microeconomic aspects of international trade, tracing its historical development from the theory of comparative costs to the theory of customs unions and tariffs. Topics include trade patterns, trade barriers and free trade versus protectionism, economic growth and development in the international economy, and international institutions. As well, this section examines the determinants of exchange rates and the relative merits of flexible and fixed exchange rates.

COURSE REQUIREMENTS:

Three tests – the first two tests will count for a maximum of 30% each of the total grade, and the final exam will count for 40% of the total grade. **All three tests will be open book.** All tests will be 120 minutes in length. All three tests will require you to answer three of six questions.

1. Test 1: Wednesday, October 9
2. Test 2: Wednesday, November 13
3. Final exam: Exam period in December

MISSED TESTS:

There will be no make-ups for the two midterm tests. If a student misses one or both of these tests, the weight for the test(s) will be distributed among the remaining test(s). A deferred exam for the final exam will be granted **only for medical reasons**. In such cases students should submit a deferred exam application together with the supporting documents (attending physician's statement) to the Economics department to my attention. The date and time of the deferred exam will be set at a later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

Writing the final exam is IMPERATIVE! Students will not receive a grade unless they have written the final. If either of the first two tests is missed, the other test will count for 40% and the final for 60%.

TEXT: Dominick Salvatore, International Economics, 13th Edition, Wiley; e-text: www.wiley.com/college/salvatore

GRADING:

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Tests will bear either a numeric grade out of 100%. (For a full description of York grading system see the York University Undergraduate Calendar - <http://calendars.registrar.yorku.ca/2010-2011/academic/index.htm>)

LECTURES:

Taping of the lectures is not permitted. All the lectures will be available online at the beginning of the term on Moodle.

All cell phones must be turned off during the lectures. Failure to do so may result in your being expelled from the class.

COURSE OUTLINE

Part 1: Trade Theory

- Comparative advantage
- Gains from trade
- Trade barriers – winners and losers
- Imperfect competition
- Competitive advantage vs. comparative advantage
- Growth
- Resource movements

Readings: chs. 1-7, 12

Part 2: Trade Policy

- Trade barriers
- Winners and losers – the rise of Trump
- Strategic trade policies
- Free Trade Agreements
- GATT/WTO

Readings: chs. 8-11

Part 3: Currency Markets

- Balance of payments
- Exchange rates
- Currency markets
- Fixed vs. flexible exchange rates
- Common currency area
- Gaps in macroeconomics

Readings: chs. 13-20

Part 4: Money and international monetary system

- What is money
- Crypto-currencies
- Financial crisis and the monetary system

Readings: ch. 21

IMPORTANT COURSE INFORMATION FOR STUDENTS

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Academic Standards, Curriculum & Pedagogy webpage (see Reports, Initiatives, Documents) -

http://www.yorku.ca/secretariat/senate_cte_main_pages/ASCP.htm

<http://secretariat.info.yorku.ca/files/CourseInformationForStudentsAugust2012.pdf>

- Senate Policy on Academic Honesty and the Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation