

York University  
Faculty of Liberal Arts & Professional Studies  
Department of Economics  
**International Trade AP/ECON 3150**  
Summer 2023 – Term S2

**Course Instructor:**

Dr. Andrea Podhorsky

Teaching Assistant: TBA

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Course Webpage: <http://eclass.yorku.ca>

Virtual Office Hours: Fridays 12:00 pm – 1:15 pm

Please sign up on eClass to schedule a 15-minute appointment on Zoom

**Lecture Time and Location:**

Mondays, 2:30 to 5:30; SLH A

Wednesdays, 2:30 to 5:30; SLH F

**TA Hours:** TBA

**Prerequisite/Co-requisite:**

AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents.

**Course Description:**

This course studies the interdependence that arises from international trade in goods and services. The course will cover the most fundamental trade models and will often refer to the current issues of international trade politics and globalization. Among the treated questions are: Why do countries trade? Does international trade deepen wage inequality? Is growth in emerging economies bad for Western countries? How does trade affect competition? What are the consequences of protectionism? Although the course will emphasize the understanding of past and current events in the world economy, we will heavily rely on formal economic modelling to help us understand these events. Additional topics include understanding what is Fair Trade and analyzing its certification system.

**Required Course Materials:**

Textbook: International Economics: Theory & Policy, 11th Edition (digital), by Paul Krugman, Maurice Obstfeld and Marc Melitz.

Additional readings may be assigned or recommended during the course.

**Evaluation:**

|                                   |     |         |
|-----------------------------------|-----|---------|
| Test 1* (Chapters 2, 3, 4, 5)     | 45% | July 19 |
| Test 2* (Chapters 6, 7, 8, 9, 11) | 50% | Aug. 9  |
| Participation                     | 5%  |         |

**Topics:\***

|         |                                                                                      |
|---------|--------------------------------------------------------------------------------------|
| July 5  | World Trade: An Overview (Chapter 2)                                                 |
| July 10 | Labor Productivity and Comparative Advantage (Chapter 3)                             |
| July 12 | Specific Factors and Income Distribution (Chapter 4)                                 |
| July 17 | Resources and Trade: The Heckscher-Ohlin Model (Chapter 5)                           |
| July 19 | Review; Test 1                                                                       |
| July 24 | The Standard Trade Model (Chapter 6)                                                 |
| July 26 | External Economies of Scale and the International Location of Production (Chapter 7) |
| July 31 | Firms in the Global Economy (Chapter 8)                                              |
| Aug 2   | International Trade Policy (Chapter 9)                                               |
| Aug 7   | Trade Policy in Developing Countries (Chapter 11)                                    |
| Aug 9   | Review; Test 2                                                                       |
| Aug 14  | Controversies in Trade Policy (Chapter 12) – Classroom debate                        |

\* While supplemental readings may be added during the semester, we will follow the text closely. It is strongly recommended that assigned readings be completed prior to attending the class.

**Grading Policy:**

- There is no final exam in this course.
- If a student misses a test, there will be no make-up test. The weight of the missed test will be transferred to the other test only for medical reasons. The student must provide the instructor with an attending physician's statement within one week of the missed exam.
- If a student misses both tests for medical reasons, the student must provide the instructor with an attending physician's statement within one week of the missed obligation(s) and will complete an original term paper on a topic covered by the course that is assigned by the instructor. The length and requirements of the term paper will be determined by the instructor according to how much of the course work has not been completed.
- Final course grades may be adjusted to conform to Program or Faculty grades.

**Important Course Information:**

Final course grades given by the instructor will use the standard York grading scale and may be adjusted to conform to Program or Faculty grades distribution profiles. In addition, all students are expected to familiarize themselves with the following information, available on the Senate Committee on Academic Standards, Curriculum & Pedagogy webpage:

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

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

**Course ADD/Drop Deadlines:**

|                                                                                                             |                  |
|-------------------------------------------------------------------------------------------------------------|------------------|
| Last date to add a course without permission of instructor (also see Financial Deadlines)                   | July 10          |
| Last date to add a course with permission of instructor (also see Financial Deadlines)                      | July 17          |
| Last date to drop a course without receiving a grade (also see Financial Deadlines)                         | July 24          |
| Course Withdrawal Period (withdraw from a course and receive a grade of "W" on transcript – see note below) | July 25 – Aug 15 |

**Policy and Guidelines on Withdrawn from Course:**

<https://secretariat-policies.info.yorku.ca/policies/withdrawn-from-course-w-policy-and-guidelines/>