

**INTERNATIONAL TRADE AND INVESTMENT
ECO339K**

Class Unique Number: 33445

Fall 2010

Classroom: UTC 3.122

Class time: T, Th: 9:30 – 11:00

Instructor: Jacek Rothert
BRB 3.142, jacek.rothert@gmail.com, (512)-475-8540

Office Hours: W: 3pm - 4pm,
F: 9am - 10am or by appointment

TA: Seungrae Lee
BRB 2.128, seungrae@mail.utexas.edu

Office Hours: M, Th: 2pm – 3:30pm

Course Aims and Objectives:

This class is about International Trade, i.e. exchange of goods and services between different countries. As there are more and more economic linkages between countries and regions of the world, events in one part of the globe may have significant economic impacts in other areas. In order to understand today's world we must understand the principles that govern exchange of goods and services between countries, movements of labor and foreign investments. This is what this class will be about.

Aims

The goal is to get you familiar with major theories of international trade and be able to apply them when asked to answer some policy related questions.

Specific Learning Objectives:

By the end of this course, you will:

- be able to participate in discussions about international trade problems and policy issues using rigorous theoretical arguments;
- be able to distinguish trade facts from their interpretation;
- be able to critically evaluate different trade policies and statements about them;
- be able to find certain types of international trade data and construct certain trade statistics.

Feedback

During this course I will be asking you to give me feedback on your learning in informal as well as formal ways, including through anonymous surveys about how my teaching strategies are helping or hindering your learning. It's very important for me to know your reaction to what we're doing in class, so I encourage you to respond to these surveys, ensuring that together we can create an environment effective for your learning.

Prerequisites

You should have taken ECO420K with a grade C- or higher

Textbook and course materials

Feenstra, R. and A. Taylor, "International Economics", 1st edition

In this class I use Blackboard—a Web-based course management system with password-protected access at <http://courses.utexas.edu> —to distribute course materials, to communicate and collaborate online, to post grades, to submit assignments, and to give you online quizzes and surveys. You can find support in using Blackboard at the ITS Help Desk at 475-9400, Monday through Friday, 8 a.m. to 6 p.m., so plan accordingly.

Assignments, Tests and Grading

Homeworks

There will be 4 homeworks. Homeworks will be posted on blackboard at least 2 weeks before their due date. Homeworks must be submitted at the beginning or at the end of the class on the due date. Each homework will carry the same weight towards the final grade.

Homework rules

You are encouraged to discuss the topics and concepts covered in class with each other. You may also discuss homework questions with each other. However, each student must write his/her own homework. Identical assignments or identical answers to one or more questions will receive a score of zero. I will not be investigating who copied from whom.

Exams

There will be 2 midterm exams and one final exam. Midterm 1 will cover the material from the beginning of the semester until the last class before the exam. Midterm 2 will cover the material between Midterm 1 and last class before the exam. Final exam will be cumulative and will cover the whole material with more emphasis on the topics covered after Midterm 2.

Exam rules

During examinations, you must do your own work. Talking or discussion is not permitted during the examinations, nor may you compare papers, copy from others, or collaborate in any way. Any collaborative behavior during the examinations will result in failure of the exam, and may lead to failure of the course and University disciplinary action.

Exams are closed book closed notes. Calculators are not allowed (and you will not need them). Use of cellphones during the exam is prohibited. If you need to exit the classroom during the exam, talk to me first as I cannot allow more than one person to leave the classroom at the same time. If you finish earlier than 5 mins before the end of the exam you may leave the classroom. If you finish later than that you will have to stay in classroom until the end of the test.

Final exam date: December 11, 2010, 2pm-5pm

You should not plan to leave campus prior to this date.

Quizzes

I will give you around 10 quizzes during the semester. They will be short (1, at most 2 questions) and will cover the material from the most recent 1 or 2 classes. Exam rules apply to quizzes.

Grading

Grades will be based on:

- a) Homeworks (25%)
- b) Midterm 1 (10%)
- c) Midterm 2 (15%)
- d) Final exam (40%)
- e) Quizzes (10%)

Grading scale

Percentage	Letter grade
92-100	A
90-91	A-
88-89	B+
82-87	B
80-81	B-
78-79	C+
72-77	C
70-71	C-
68-69	D+
60-67	D
0-59	F

I reserve a right to lower the thresholds in the left column.

Grading objections

If you disagree with the grading of either the homework or the midterm, you may submit it for a review. You must submit the disputes within one week of having been returned the exam/homework. It will then be re-graded. Bear in mind that it may result in a lower score if we notice some mistakes that we have not noticed the first time. Homework assignments written in pencil will not be re-graded.

Class attendance, participation policy, code of conduct, absences

You are not required to attend every class but you will be responsible to learn the material that is covered in each class. Since attendance is voluntary, I expect that when you come to class you are focused on the class. This includes not depriving other students of their right to learn.

While the class is formally a lecture, you are more than encouraged to question anything that I say and ask questions whenever something is unclear. During the class, please ask me first rather than whisper to your neighbors – such whispering will create unnecessary noise and will be disruptive for other students.

Remember that **every student has the right to learn as well as the responsibility not to deprive others of their right to learn. Every student is accountable for his or her actions.** In order for you to get the most out of this class, please consider the following:

- (i) Arrive on time; if you must be late, try to minimize the disruption by closing the door quietly and taking a seat as close to the exit as possible;
- (ii) If you have trouble hearing the lecture because of distractions around you, quietly ask those responsible for the distraction to stop. If the distraction continues, please let me know. It is often impossible for me to hear such things from my position in the classroom;

(iii) Please let me know immediately if you have any problem that is preventing you from performing satisfactorily in this class.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If the homework assignment is due on a religious holiday that you observe, you must submit the homework during the first class after your absence. If you must miss an examination in order to observe a religious holy day, I will give you an opportunity to complete the missed work within a week after the absence.

Academic Integrity

University of Texas Honor Code

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

Each student in this course is expected to abide by the University of Texas Honor Code. Any work submitted by a student in this course for academic credit will be the student's own work.

You are encouraged to study together and to discuss information and concepts covered in lecture and the sections with other students. You can give "consulting" help to or receive "consulting" help from such students. However, this permissible cooperation should never involve one student having possession of a copy of all or part of work done by someone else, in the form of an e-mail, an e-mail attachment file, a diskette, or a hard copy.

Should copying occur, both the student who copied work from another student and the student who gave material to be copied will both automatically receive a zero for the assignment. Penalty for violation of this Code can also be extended to include failure of the course and University disciplinary action.

During examinations, you must do your own work. Talking or discussion is not permitted during the examinations, nor may you compare papers, copy from others, or collaborate in any way. Any collaborative behavior during the examinations will result in failure of the exam, and may lead to failure of the course and University disciplinary action.

Other University Notices and Policies

Use of E-mail for Official Correspondence to Students

All students should become familiar with the University's official e-mail student notification policy. It is the student's responsibility to keep the University informed as to changes in his or her e-mail address. Students are expected to check e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that e-mail be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your e-mail address are available at <http://www.utexas.edu/its/policies/emailnotify.html>.

Documented Disability Statement

Any student with a documented disability who requires academic accommodations should contact Services for Students with Disabilities (SSD) at (512) 471-6259 (voice) or 1-866-329-3986 (video phone). Faculty are not required to provide accommodations without an official accommodation letter from SSD.

- Please notify me as quickly as possible if the material being presented in class is not accessible (e.g., instructional videos need captioning, course packets are not readable for proper alternative text conversion, etc.).
- Contact Services for Students with Disabilities at 471-6259 (voice) or 1-866-329-3986 (video phone) or reference SSD's website for more disability-related information: http://www.utexas.edu/diversity/ddce/ssd/for_cstudents.php

Q drop Policy

The State of Texas has enacted a law that limits the number of course drops for academic reasons to six (6). As stated in Senate Bill 1231:

“Beginning with the fall 2007 academic term, an institution of higher education may not permit an undergraduate student a total of more than six dropped courses, including any course a transfer student has dropped at another institution of higher education, unless the student shows good cause for dropping more than that number.”

Emergency Evacuation Policy

Occupants of buildings on the UT Austin campus are required to evacuate and assemble outside when a fire alarm is activated or an announcement is made. Please be aware of the following policies regarding evacuation:

- Familiarize yourself with all exit doors of the classroom and the building. Remember that the nearest exit door may not be the one you used when you entered the building.
- If you require assistance to evacuate, inform me in writing during the first week of class.
- In the event of an evacuation, follow my instructions or those of class instructors.
- Do not re-enter a building unless you're given instructions by the Austin Fire Department, the UT Austin Police Department, or the Fire Prevention Services office.

Tentative Course Schedule

This schedule may change during the semester depending on our progress. I may add new topics or drop some of the topics listed here. The dates of Midterms and Final exam will *not* change.

Time	Main Topic	Readings	Evaluation
Week 0	Introduction; we go over the syllabus, rules for class etc.		
Week 1	Trade in the Global Economy		
Week 2 / 3	Comparative Advantage		Homework 1
Week 3	Trade with Specific Factors		
09/16/2010			MIDTERM 1
Week 4 / 5	Trade and Resources		Homework 2
Week 6	International movements of labor and capital		
Week 7 / 8	Increasing Returns to Scale and Imperfect Competition		
Week 8	Outsourcing		Homework 3
10/28/2010			MIDTERM 2
Week 10/11	Tariffs and Quotas		
Week 12	Export and production subsidies		Homework 4
Week 13	US and EU protection in agriculture		
Week 14	International Trade Agreements		
12/11/2010			FINAL EXAM