

ECONOMICS 50123
International Trade and Payments
Dr. John T. Harvey (Spring 2003)

PURPOSE: This course will familiarize the student with the determinants of international trade in goods and services and the impact of “barriers to free trade” on world welfare.

PREREQUISITES: Introductory Microeconomics and Macroeconomics.

REQUIREMENTS: Each student will have three opportunities to demonstrate their understanding of the course material. The relative weights are as follows:

First exam	30 points
Second exam	30 points
Final exam	<u>+40 points</u>
	100 points

Grades will be assigned as follows (parenthetical references are to the **TCU Undergraduate Studies Bulletin** definition of the performance necessary for the assignment of each grade):

100 to 89.5 points	A (Exceptional)
89.4 to 79.5 points	B (Superior)
79.4 to 69.5 points	C (Satisfactory)
69.4 to 59.5 points	D (Poor)
59.4 or less	F (Failure)

As a student, there is very little more annoying than the impression that others have been given preferential treatment. One of my primary goals in teaching is to treat every student exactly the same. All assignments are graded blindly (i.e., no names) and, at the end of the semester, the one and only place I will look to calculate students' grades will be their cumulative performance on the paper and exams. The standard I will apply in determining letter grades absolutely will be the one listed above, and I promise that it will be the same for everyone.

GRADING ON IMPROVEMENT: I have always thought it fair to raise a student's grade when she showed significant improvement over the course of the semester. However, I am (for the reasons stated above) very uncomfortable with arbitrarily determining the bonus. Oh happy day! I have come up with a formula to use in this regard! Get out your calculator...

First off, because it is cumulative and will reflect your knowledge of **all** the course material, improvement is linked to your final exam score. To determine your *improvement bonus* first convert all your scores into percentages (e.g., 90% instead of 27/30). Then subtract your lower of your first two exam scores from your final exam and divide that total by 10. That is your bonus, and it will be added to your course total. Note that theoretically the bonus can vary from 10 percentage points (with a 100% on the final and a 0% on either exam one or exam two) to 0 (with a final exam score that does not exceed your lowest score).

ABSENCE POLICY: The TCU Faculty/Staff Handbook requires that faculty be aware of the attendance of students and, if necessary, report frequent absences. In this class "frequent" will be defined as three or more.

TEXT: There ain't one! However, I will be making extensive use of web-based materials. Please see the appropriate link on my website: <http://www.econ.tcu.edu/harvey/course.html> (you can get there from www.tcu.edu). There may also be assigned readings available from the Economics Department Office.

FINAL EXAM: The final is scheduled for the week of May 5-9 (the schedule currently says our test will be 8:00-10:30

Tuesday, May 6, but we'll double check later in the semester—sometimes these things change!). Only those students with more than two final exams in a twenty-four hour period are permitted to reschedule any finals. **According to University policy, the student must prove that this exceptions applies and this must be done prior to the last week of regular class sessions before final examinations.**

MAKEUP EXAMS: Both classes will meet on the last regularly scheduled day of class (Tuesday, April 29) at their regular class times to take any makeups necessary. **The student need not contact the instructor with an excuse to take a makeup.** Simply miss the regular exam day and you are entitled to take the makeup. Only one exam may be missed in this manner, however. Before any other such incidents I must be contacted before the time of the exam.

ACADEMIC HONESTY: I do my utmost to see to it that those who are studying hard in my course get full credit for their work and that they are not cheated by classmates. I do this primarily by removing temptation and closely monitoring all exams. However, in the event that my vigilance is not sufficient and a case of academic dishonesty does come to my attention, I give my word to the honest members of the class that the offending party will be prosecuted to the full extent allowed by University policy.

Students are not the only ones who should be held to a moral standard in the process of determining course grades. It is equally vital to the integrity of the course that the instructor maintain the highest level of honesty. I promise everyone that, first, no student will have a grade changed simply because they made inquiries regarding my evaluation. Nor will someone in our class receive a higher grade on the basis of "need" (to keep a scholarship, to stay in school, to receive Economics credit, to not be killed by parents, etc.). If those are to be criteria for the determination of grades, then they should appear in the syllabus as assignments. Finally, I feel very strongly that it is each student's **right** to understand how their grade was determined, and I am always happy to fully explain any questions you may have.

REMINDER: Economics majors must earn a C or better in order to count economics courses toward their economics major.

BLUE BOOKS FOR EXAMS: I would appreciate it if you would purchase Blue Books for each of the exams. In fact, anyone giving me all three by Tuesday, February 11 will have 0.5 pts added to their final grade.

INSTRUCTOR INFORMATION:

Office: Somewhere in the Economics Building
Phone: 257-7230 or 257-6235 (office—the latter is the direct line); 924-9016 (home: please do not call here during **SpongeBob**, or past 8:00pm!).
E-mail: j.harvey@tcu.edu
B.A. Economics and Political Science, U. of Tennessee 1983.
M.A. Economics, U. of Tennessee 1986.
Ph.D. Economics (international, macroeconomics, history of economics), U. of Tennessee 1987.

WEEK	TOPIC
#1 end Jan 16	<p>Introduction to course (grading, assignments, philosophy, etc.)</p> <p>" " " "</p> <p>Controversy in Economics</p> <p style="padding-left: 40px;">Neoclassicism: natural law, deduction, and markets</p> <p style="padding-left: 40px;">Institutionalism and Post-Keynesianism: culture, realism, and pragmatism</p>
#2 end Jan 23	<p>TRADE THEORY</p> <p>Neoclassical Trade Theory</p> <p style="padding-left: 40px;">Comparative advantage Specialization World Output</p>
#3 end Jan 30	<p style="padding-left: 40px;">Offer Curves</p> <p style="padding-left: 40px;">Heckscher-Ohlin Factor-Price Equalization</p>
#4 end Feb 6	<p style="padding-left: 40px;">Stolper Samuelson Theorem Rybczynski Result North-South Trade Market Structure and Trade Intraindustry Trade</p>
#5 end Feb 13	<p>Inconsistencies and Problems</p> <p style="padding-left: 40px;">North-North Trade Factor Prices Returns to scale Non-competitive goods Externalities Full Employment Creating Comparative Advantage</p> <p>*****EXAM ONE***** (Feb 13)</p>
#6 end Feb 20	<p>PK/Inst Trade Theory</p> <p style="padding-left: 40px;">“Foreign-ness of Trade:” The Role of Culture Towards Greater Realism Technology</p>

#7
end Feb 27
Returns to scale and North-South Trade
Political power
Returns to scale and trade

#8
end Mar 6
Market structure
Absolute Advantage

#9
end Mar 20
COMMERCIAL POLICY
Neoclassical
Subsidies
Tariffs
Non-tariff barriers

#10
end Mar 27
Welfare Consequences

*******EXAM TWO******* (Mar 25)

#11
end Apr 3
Neoclassical Commercial Policy Continued

#12
end Apr 10
Neoclassical Commercial Policy Continued

#13
end Apr 17
PK/Inst
Free vs. Fair Trade

#14
end Apr 24
Less-than-full employment

#15
end Apr 29
Labor and Environmental Standards

*******Makeup Exams******* (see page two)

*******Study Days******* (May 1 & 2)

*******FINAL EXAM******* (see page two)