

161C Spring 2011

Office Hours: Friday 10:30 to 12:30.

Instructor: Priya Ranjan

Room # SSPB 3265

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Econ 161C

International Trade & Commercial Policy

The textbook for the course is

Krugman, P.R. and M. Obstfeld (2009). *International Economics: Theory and Policy*, 8th edition. Addison-Wesley [KO]

The grade for the course will be based on 4 problem sets (each having a weight of 5%), a mid-term (weight of 30%) and a final exam (weight of 50%). The date for the mid-term examination is the 28th of April. The date for the final examination is Thursday, June 9th, from 8:00 to 10:00 a.m. **The final exam will be cumulative.**

Problem sets, lecture outlines, handouts and solutions to problems sets will be posted on the class website. Please check the website frequently. The URL for the course website is <https://eee.uci.edu/11s/62470>

The add/drop policy for the course adheres to the Economics department add/drop policy explained at the following website: <http://www.economics.uci.edu/index.php?p=40>.

I will **NOT** be signing any add/drop cards under any circumstance.

The TA for the course is David Conway. He will be holding weekly discussion sections and office hours.

In the syllabus below, the book chapters are from Krugman and Obstfeld.

INTERNATIONAL TRADE THEORY

I. Introduction

1. KO, chapter 1
2. Ranjan, P. (2006). Chapter on "Economic Integration" in *Encyclopedia of Globalization*, (edited by A. Vaidya), ABC-CLIO.

II. Theory of Comparative Advantage: The Ricardian Model

KO, chapter 3

III. Factor Endowments and Trade (The Heckscher-Ohlin Model)

KO, chapter 4

IV. Foreign Outsourcing of Goods and Services

1. Lecture Notes

2. Robert C. Feenstra and Alan Taylor (2008). *International Trade* (Worth Publishers). Chapter 7

V. Scale Economies, Market Structure, and Trade

KO, chapter 6

VI. International Factor Movements

KO, chapter 7

COMMERCIAL POLICY

VII. Instruments of Trade Policy

KO, chapter 8

VIII. Preferential Trading Arrangements

KO, Chapter 9

IX. The Political Economy of Trade Policy

1. KO, chapter 9

2. Bhagwati, J. (1988). *Protectionism*. Cambridge: The MIT Press

X. Controversies in Trade Policy (trade and labor standards, trade and environment)

1. KO, chapter 11

2. Bhagwati, J. (1988). *Protectionism*. Cambridge: The MIT Press

3. Bhagwati, J. (1995). "Trade Liberalization and Fair Trade Demands: Addressing the Environmental and Labor Standard Issues", *World Economy*, 18, November.