



ECON 405A A01

International Trade Theory

Spring 2026, CRN 21049, 1.5 Units

UVic Land Acknowledgement

We acknowledge and respect the Lək'ʷəŋən (Songhees and Xʷsepsəm/Esquimalt) Peoples on whose territory the university stands, and the Lək'ʷəŋən and WSÁNEĆ Peoples whose historical relationships with the land continue to this day.

Course schedule: T, W & F 1:30-2:30pm @ MAC D283

Instructor Name: Lijun Zhang **Email:** ljzhang@uvic.ca

Office: BEC 332

Office Hours: Thursdays at 3:30-4pm (starting January 19) or by appointment. Unless otherwise requested, we will meet on Zoom ([click to launch](#)) for office hours. Please feel free to make an appointment if you want to meet in person or at some other time. Please keep in mind that office hour is most helpful when you are prepared to discuss your questions. You are also welcomed to stay after a lecture for questions.

Teaching and assessment modality statement

This course is face-to-face and all exams and the presentation are held in person. iClicker will be used for class participation marks under grading scheme A. Please check the [Grading Scheme](#) for details.

Course Content

Calendar Description: The study of international trade theory and policy with an emphasis on general equilibrium analysis. Topics include the factor proportions theory of trade, technological determinants of trade, the theory of tariffs and trade policy, models of strategic interaction between countries.

Details: This course is designed for the students who have a strong background in microeconomics (and good analytical skills), and who are interested in applying the skill sets to discussions in international trade and its consequences.

The first block of the course is focused on theoretical trade models: if countries were allowed to trade freely, what would happen? Specifically, why countries trade with each other, how do countries produce and trade; and what are the consequences of trade. The course will spend around 60% of the classes discussing theoretical models and empirical evidence. We may also discuss some extensions from these trade models, such as skill-biased technological advancement, immigration and outsourcing/offshoring (if time allows.)

The second block is focused on trade policies. We will introduce various trade policy tools, for example, import tariffs. We will investigate how these policy tools work in theory and verify the theoretical conclusions with empirical evidence. We will also discuss how societies decide trade policy in general.

Course prerequisites/corequisites

- ECON 203
- one of ECON 306, Econ 313, Econ 350; and
- one of Econ 225, ENGR 240.

Textbook

There is no required textbook for this course. The lecture materials come from several major sources, including the following two textbooks. Please find the links to e-textbook on Brightspace.

- International Trade, by Feenstra & Taylor, 5th edition, Macmillan Learning. (FT)
- International Economics: Theory and Policy, by Krugman, Obstfeld and Melitz, 12th edition (earlier editions are acceptable,) Pearson. (KOM).

Please note: If you decide to purchase any textbook, you only need to buy one of them. You are encouraged to team up with other students to share textbooks.

Brightspace

Brightspace is used extensively for the course. All students are expected to be fully functional with the system.

- All information and the lecture notes will be posted in *Brightspace*. Please note that the lecture notes online are only outlines of the actual lectures.
- All announcements will be posted in *Brightspace*. Students are advised to check it frequently.
- All assignments and quizzes are completed on *Brightspace*. Students are expected to read and follow the instructions of these items, including the due time, on Brightspace by themselves.

Learning Outcomes

After taking this course, students are expected to

- Master the basic knowledge of various theoretical trade models, including the explanations from each model on the basis of trade, the pattern in trade and the welfare implications of trade.
- Remember and understand key facts and statistics in the current global trade system.
- Develop skill in conducting research, think critically and form independent opinions based on knowledge and empirical evidence.

Course Structure

Topics	Main Source	Other References
• Introduction	FT Ch 1; KOM Ch 1	
• Gravity Model	KOM Ch 1	FT Ch6
• Ricardian Model	Ch 4.1 in <i>200 Years of Ricardian Trade Theory</i> (Link available in Brightspace)	FT Ch2; KOM Ch 2
• Specific-Factors Model	FT Ch 3	KOM Ch4
• Heckscher-Ohlin Model	FT Ch 4	KOM Ch5
• Movement of Labour (and Capital, if time allows)	FT Ch 5	KOM Ch4-5
• External Economies of Scale (if time allows)	KOM Ch7	
• Internal Economies of Scale	KOM Ch8	FT Ch6
• Tariffs and Quotas Under Perfect Competition	FT Ch8	KOM Ch9
• Tariffs and Quotas Under Imperfect Competition (if time allows)	FT Ch9	KOM Ch9
• Political Economy of Trade Policy (if time allows)	KOM Ch10	

Please note:

1. This is only a tentative plan of the lecture arrangement. There may be minor adjustments depending on various conditions.
2. The chapter number indicates the most relevant chapter in the recommended textbook. You are advised to read the textbook and try the questions. However, the actual lectures will offer more details on some topics. It is essential for you to attend lectures, take notes, and participate in the discussions.

Assessments, and Grading

Use of AI

Use of AI is not allowed for all but one grading component in this course. All exams are closed book, and no AI use is allowed.

Grading Scheme

	Scheme A	Scheme B
Class Participation by iClicker	15%	N/A
Problem Sets & Quizzes	15%	N/A
Short Presentation	15%	15%
Midterm	25%	38%
Final Exam	30%	47%

Course Grade: Your course grade is the higher one of the results of Scheme A and B at the end of the semester.

Mandatory/essential course components

A student must complete **both the midterm and the final exam** to complete the course in this term. Failure to complete these course requirements will result in a grade of "N" regardless of the cumulative percentage on the course. N is a failing grade and factors into your GPA calculation as a value of 0.

Details on grading components

Midterms & the final exam. Both the midterm and the final exam will be delivered face-to-face. All are close-book exams. Students are allowed a cheat-sheet that is handwritten by oneself, single sided and no-larger-than letter size. The schedule of the exams is listed in the table below. The final exam will be a 2-hour exam scheduled by the university. The final exam is cumulative.

The schedule of the midterms and the final exam is listed below.

Midterms & Final	Time & Location
Midterm Part I	1:30-2:20 pm, Feb 24 @ BEC 160
Midterm Part II	1:30-2:20 pm, Feb 25 @ regular classroom
Final Exam	2-hour exam in April, scheduled by the university

Missed midterm. Please download and fill the form of [Request for In-Course Extension](#) within a week from the midterm. When your request is approved, you will be asked to write the make-up exam in a session organized by the department. (Therefore, if you miss one, there may not be another chance.) Please note that if I do not get a formal request in email within a week from a missed exam (and reply to your email), you will get a zero for the missed exam.

Missed final exam. If you are not able to complete the final due to a valid reason, but you have completed the midterm, please formally apply to [Request a Deferral](#) to write a deferred final exam in the upcoming term. Please note that the delivery method of the make-up exam will always be the same to that of the original exam. According to the university policy, students are advised to make travel plans after the exam schedule becomes available, and conflicts with travel plans are not considered as a valid reason for missing the final exam. The exam schedule has also taken into consideration students' course information, so having multiple exams in a period is not a valid reason either.

Centre for Accessible Learning (CAL): Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the [Centre for Accessible Learning \(CAL\)](#) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

Short Presentation. Every student will be assigned a peer-reviewed journal article and do a two-minute short presentation to introduce the article to the class. The presentations are tentatively scheduled on March 27, March 31 and April 1. You are encouraged to use AI tools to help you during the process, and you will earn an extra 3% to the course grade if you complete a survey documenting your use of the AI tool(s). Please see the details on Brightspace.

Problem Sets (Assignments) & Quizzes in Scheme A. Trying questions and keep practising is essential to a good understanding of the materials.

Problem sets are posted online. You can use it to review the materials and to prepare for the exams. You are expected to submit your attempt at Brightspace, though no one will mark your submission. A brief answer key will become available after your submission.

I have made extra questions based on the problem sets and put them in the quizzes on Brightspace for you to try. A quiz will become available to you once you submit your attempt of the corresponding problem set. Quizzes are auto marked. Your score of the quizzes in Scheme A is calculated as follows:

Assignment/quiz Score = (Total points earned in the term)/(Total possible points in the term × 80%)
However, you will not be able to get more than the full mark for this part, even if you have answered more than 80% questions correctly.

In addition, a TA will check the submission of problem sets randomly. If you are caught submitting a problem set without making decent effort, your quiz score for the term will be deducted 4% every time you are caught. (For example, if according to the above calculation, your quiz score should be 9%, when you are caught once, the score will be $9\% - 4\% = 5\%$.) I would consider decent effort as attempting every question and writing out necessary steps. You are welcome to discuss any questions with me or with your classmates, but you cannot leave any question blank, and you must write out your answer independently.

The due time of assignments and quizzes are usually set to one or two days before the materials are tested in an exam. However, this only means that I recognize that students have their own preferred timeline. I would advise most students to complete relevant assignment and quiz shortly after we conclude a topic in class, which allows you to raise your questions before the exam.

Please note, there is no adjustment if you miss any assignment/quiz for whatever reason. This includes but not limited to medical excuses. These situations are already covered by the fact that only 80% questions are counted, and consequently, there will be no more accommodation.

Class Participation by iClicker in Scheme A. It is not easy to actively attend the lecture, and it is extremely challenging for me to continue talking without getting any feedback. To facilitate our discussion, I will use iClicker questions extensively in lectures.

Your score of participation, which count 15% in total in Scheme A, is calculated as follows:

Participation Score = (Number of questions answered correctly in the term)/(Total number of questions in the term × 60%)

However, you will not be able to get more than the full mark, even if you answered more than 60% of the questions correctly.

The purpose of this component is to recognize participation and alertness to the lecture material.
Therefore, you cannot expect to be rewarded if, for whatever reason, you are unable to participate. This includes but not limited to medical excuses.

If you decide to go with Scheme A, you should understand that the most important thing is to make the effort consistently over the entire term. Missing one lecture or one quiz will not significantly affect your grade, but missing several will.

Grading Scale

A+	90-100%	A	85-89%	A-	80-84%
B+	77-79%	B	73-76%	B-	70-72%
C+	65-69%	C	60-64%		
D	50-59%	F or N	0-49%		

Students should review the University's more detailed [summary of grading](#).

Waitlist Policies

- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not participate as specified in this outline during the first 7 calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

Academic Integrity

Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the [Policy on Academic Integrity](#) in the University Calendar, is subject to penalty by the University.

The University reserves the right to use a plagiarism software to detect violations of academic integrity.

Appeals

Depending on the nature of your concern, the order in which you should normally try to resolve the matter is:

1. Me, the course instructor
2. the Associate Chair: econassoc@uvic.ca
3. the Associate Dean of Academic Advising
4. the Senate.

Writing a formal email to me after reviewing the grading on your assignment or exam will initiate the first step. Please expect a formal reply in email within two business days. However, I will not reply to any request simply asking for a higher grade because it is needed. If you're seeking a formal review of an assigned grade, you should also consult the regulations in the academic calendar regarding [review of an assigned grade](#).

E-mail Correspondence

Emails are best used for critical matters, such as making appointments, inability to attend an exam, or prolonged illness, and should include the course name and number in the subject line. The standard format for writing a letter is expected. This means it should begin with a salutation, include full sentences and it should conclude with a signature that includes your **full name and V#**. Please avoid text message lingo.

It is best to discuss course materials and detailed questions about the materials during office hour. Please feel free to come for office hour or make appointments.

University Policies and Statements

Please note that this course is executed in a manner consistent with these University statements and policies.

- a. University Calendar - Section "[Information for all students](#)"
- b. [Creating a respectful, inclusive and productive learning environment](#)
- c. [Academic Integrity](#)
- d. [Academic Concession Regulations](#), [Academic Concession and Accommodation](#), Academic Accommodation – [Policy AC1205](#)
- e. [Accommodation of Religious Observance](#)
- f. [Student Conduct](#)
- g. [Non-academic Student Misconduct](#)
- h. [Accessibility](#)
- i. [Diversity / EDI](#)
- j. [Equity statement](#)
- k. [Sexualized Violence Prevention and Response](#)
- l. Discrimination and Harassment [Policy](#)

Resources for students

- a. [Student wellness](#)
- b. [Centre for Accessible Learning](#)
- c. [UVic Learn Anywhere](#). UVic Learn Anywhere is the primary learning resource for students that offers many learning workshops and resources to help students with academics and learning strategies.
- d. [Library](#) resources
- e. Centre for Academic Communication ([CAC](#))
- f. Learning Strategies Program ([LSP](#))
- g. [Academic Advising](#)
- h. Economics Undergraduate Advising: ecadvice@uvic.ca
- i. [Student Awards and Financial Aid](#)
- j. [International Student Advising](#)
- k. Indigenous student services ([ISS](#))
- l. [Student groups and resources](#) including UVic [Ombudsperson](#)

Student Experience of Learning (SEL) Survey

I value your feedback on this course. Towards the end of term, you will have the opportunity to complete a confidential SEL survey regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.