Course Outline
Department of Economics

ECONOMICS 306-A01/A02
International Economics
Fall, 2019

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Calendar Description
An introduction to international trade and finance. Topics include determinants of trade, balance of payments, and policy issues of current interest. The latter may include the political economy of tariffs, bilateral and multilateral trade negotiations, trade and development.

Note: Credit will not be granted for 306 if 405A has already been completed.

Prerequisites: 103, 104; 225 or ENGR 240 or a minimum grade of B+ in ENGL 135, 146 or 147.

Class Information
Lecture time & location: A01 M&Th 10:00-11:20 @ COR B129 and A02 M&Th 1-2:20 @ DSB C118
Office Hour: M 2:30 – 3:30 & W 11:30-12:30 or by appointment

Texts/Materials

Lecture Outline
1. Introduction (Ch. 1)
2. International Trade Theory
   a. Gravity model
   b. Absolute and comparative advantage (Ch. 2)
   c. The standard trade model (Ch. 3)
   d. Other trade theories (if time allows) (Ch. 4)
3. International Trade Policy
   a. Tariff (Ch. 5)
   b. Non-tariff barriers to trade (Ch. 6)
   c. WTO & Economic integration (Ch. 6.8-6.9, Ch. 7.1-7.7)
4. The balance of Payments & Foreign Exchange
   a. The balance of payments (Ch. 10)
b. The foreign exchange market, exchange rates and the determination of exchange rate. (Ch. 11 and Ch 12)
c. Automatic adjustment mechanism (if time allows) (Ch. 13)
d. Adjustments policies. (if time allows) (Ch. 14)

5. International Monetary System
   a. Flexible versus fixed exchange rates and policy coordination. (if time allows) (Ch. 15)
   b. The international monetary system: past, present and future. (if time allows) (Ch. 16)

### Grading Scheme

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<thead>
<tr>
<th></th>
<th>Scheme A</th>
<th>Scheme B</th>
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<tbody>
<tr>
<td>Class Participation with iClicker</td>
<td>15%</td>
<td>N/A</td>
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<tr>
<td>Team Project</td>
<td>15%+10%+2%</td>
<td>15%+10%+2%</td>
</tr>
<tr>
<td>Midterm</td>
<td>22%</td>
<td>28%</td>
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<tr>
<td>Final Exam</td>
<td>36%</td>
<td>45%</td>
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**Midterm exam** is scheduled in class on **October 17**. If you miss the midterm with a valid reason, it is your responsibility to prepare formal documentation and to contact me to schedule a make-up exam as early as possible. Due to the tight schedule of the summer course, you must write the make-up exam by November 20. Failing to do so means you cannot complete the course.

**Final exam** is scheduled by the university. If you miss the final exam, please apply for Academic Concession ([https://web.uvic.ca/calendar2019-09/undergrad/info/regulations/concessions.html](https://web.uvic.ca/calendar2019-09/undergrad/info/regulations/concessions.html)).

**Team project** is designed to allow students to know more about the facts of international trade of Canada. In the first two weeks, students should form teams to conduct the course project. Teams will collect data on Canadian import/export from [http://comtrade.un.org/](http://comtrade.un.org/) and other related facts and apply the knowledge introduced in lectures to prepare a poster, discussing international trade in Canada. Details will be provided during the term.

Teams will first submit two assignments designed to lead students through the key steps of conducting primary research. Every member should make major contribution to at least one of the assignments. Team members will be scored **individually** for the two assignments. This part is worth 10%.

Teams will also determine their own research topic, collect data and make a poster. The poster weights 15% in the total grade.

Every student is expected to attend the poster sessions, evaluating posters from other teams and raise questions. You will also be asked to fill a form and comment on your team members’ effort. This participation counts 2% in the overall mark and every student will be marked independently.
The (tentative) schedule for team projects:

Sept. 4-16  Team forming (Teams will be formed by September 20)
Oct. 10    Assignment 1 of team project due.
Oct. 28    Assignment 2 of team project due.
Oct. 31    Submission (via email) of group poster topic
Nov. 25    Submission of the electronic copy of the poster
Nov. 28 & Dec. 2 Poster presentation sessions.

All three components in Scheme B are required components of the course. You must complete all to complete the course.

Class Participation in Scheme A is done by iClickers. Your score will be the hit rate of all questions over the term. However, up to 20% incorrect or unanswered questions over the term will not count against you. The purpose of using iClicker is to recognize attendance and alertness to the lecture material. You cannot expect to be rewarded if, for whatever reason, you are unable to attend or participate. This includes medical excuses, non-functioning clickers and so on. These are covered by the 20% forgiven questions.

By the end of the semester, your total grade of the course will be a higher one calculated from Scheme A and Scheme B. However, the simple average of your midterm exam and final exam must be at least 45 for you to get a C and 40 for a D. If the simple average of the two exams is lower than 45, you will at most get 59% (D) for the course; if the simple average of the two exams is lower than 40, you will at most get 49% (F) for the course.

This course uses the standard Department of Economics numerical score/letter grade equivalency:

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<thead>
<tr>
<th>Score</th>
<th>Grade</th>
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<tbody>
<tr>
<td>90 ≤</td>
<td>A+</td>
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<tr>
<td>85 ≤</td>
<td>A</td>
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<td>80 ≤</td>
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<td>B</td>
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<td>70 ≤</td>
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<td>F</td>
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CourseSpaces

- CourseSpaces (Coursespaces.uvic.ca), an updated version of Moodle, is used extensively for the course. All students are expected to be fully functional with the system.
- All lecture notes will be posted in CourseSpaces. Please note that the lecture notes online are only outlines of the lecture. Students are expected to print them out prior to the lectures and add personal notes in class.
- All announcements will be posted in CourseSpaces and then sent to the email address registered with the system. Students are advised to check frequently.

Course Experience Survey (CES)

I value your feedback on this course. Towards the end of term, as in all other courses at UVic, you will have the opportunity to complete an anonymous survey regarding your learning experience (CES). 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. The survey is accessed via MyPage and can be done on your laptop, tablet, or mobile
device. I will remind you and provide you with more detailed information nearer the time but please be thinking about this important activity during the course.

**Policies**

This course operates within the Undergraduate Course Policies of the Department of Economics. The complete copy can be obtained from the department website:


The following is some elaboration of these policies.

**Waitlist Policies**
- Waitlist will be managed by the department. I will not interfere.
- However if you expect yourself to be added to the class, you should join a team for the project, come to class and hand in assignments.

**Classroom Etiquette**
- Show your respect. Do not create negative externality.

**Academic Integrity**
- Please browse [http://library.uvic.ca/instruction/cite/plagiarism.html#whatis](http://library.uvic.ca/instruction/cite/plagiarism.html#whatis) for the definition of plagiarism.

**Language**
- English is the instruction language at the University. Your enrollment implies that you are able to function with it. All communications between you and the classmates (in class), the instructor and the teaching assistant should be in English. You should make sure that all written work is complete and understandable. Dictionaries are not allowed in examinations.

**Examination**
- Caps and hats that interfere with eye contacts should not be worn in exams.

**Email**
- You may contact me with email ljzhang@uvic.ca. Please include your full name (the name in university records preferred) and course and section number in your email. Without such information, it is sometimes hard for the instructor to understand the nature of your questions. Please write in a formal letter format and avoid inappropriate nicknames, email ids and signatures. Text message lingo should not be used.
- You should contact me by email primarily on matters that relate to your personal participation, e.g. you have a medical condition that prevent you from attending an exam. It is the best to raise questions towards the course materials in class or in person during office hour. You may ask simple short questions via email, however I may answer directly or I may reply telling you that I will cover that in class or it is best to explain the question in person. General administrative issues such as the arrangement and the format for the assignments or exams will ONLY be discussed in class and no answers will be provided via email on these issues.
**Documentation of Academic Concessions for Medical Reasons**

- When there is a medical condition, you should inform me as early as possible and bring the formal doctor’s note when your health permits.
- In the case of a missed final exam, the university procedure is for the student to submit a Request for Academic Concession form to Undergraduate Records.