

This is an advanced course in international economics that examines international trade theory and its applications, the role of trade policies, and exchange rates. The format of this course is a mix of lectures and student-led explorations of key topics. We explore different reasons for international trade: comparative advantage, increasing returns to scale and imperfect competition and the corresponding theoretical trade models, as well their applicability to real world situations. We also examine the impact of policies that act as barriers to trade such as the US-China trade war, and NAFTA (now called US-Canada-Mexico Agreement (USMCA)), exchange rate models and how exchange rates impact international trade and investments. We will also critically analyze some writings in the popular press related to topics we are studying. This syllabus gives you a good idea of what this course entails, and it will be updated (for ex., with information about the dates for the exams and homework assignments) as we get closer to Summer 2023.

### Learning Objectives

Students will have the ability to describe how economic, political, and social factors influence government policies and firm strategies in the global economy.

Students will develop the ability to think critically about important issues in international economics and use the appropriate tools of economic analysis.

Students will develop an understanding the motivations for trade between countries including outsourcing, and its impact on different stakeholders in the economy

Students will develop the ability to critically analyze trade policies and their implications.

Students will be able to explain how exchange rates are determined and how they impact international trade and investments.

### Text

**The required book for the class is *International Trade, 5th ed (2021) with Achieve* by Robert Feenstra and Alan Taylor (McMillian). *Please do not buy the book now.* I will post the ISBN # for the e-book and Achieve as soon as I receive from the publisher. The course registration instructions for Achieve will be provided closer to the start of Summer 2023. Achieve is required for this course.**

I will post on Canvas all PPTs, additional readings, case studies and links to podcasts on topics such as exchange rates and current international economic issues discussed in journals such as the Wall Street Journal, Fortune, Business Week, and the Economist.

### Prerequisites

Econ 2106 **or** Econ 2101 **or** Econ 2100 are the prerequisites for this class. Please contact me if you have questions about the prerequisites. I will assume that everyone has a sound understanding of basic microeconomics and basic calculus. This class will use Canvas to post class handouts and readings. Achieve will be used for homework and applied assignments.

## Lecture Format

We will have in-person classes. As a contingency plan, if health conditions mandate, lectures may be held synchronously over Zoom or TEAMS and/or will be available as PPT presentations/other media.

## Grades

The final grades will be based on the following:

- a) 3 homework assignments (9 points each for a total of 27 points)
- b) In-class assignments and projects (3 points)
- c) 3 in-class exams (35 points each) out of which the best 2 scores will count towards your grade. This means that if you are happy with your course grade before Exam 3, you need not take Exam 3. In other words, I will provide you with your course grade before Exam 3 that includes your grades for Exams 1 and 2, homework assignments, attendance/class participation and in-class assignments. If you choose to keep that course grade, you need not take Exam 3.

Your exams are graded based on your ability to understand the theories and concepts, and how to apply them in a correct and relevant manner. Homework is assigned through Achieve, with 2 attempts for each question. You will have a window of approximately 3 to 4 days during which each online homework is available for you to complete. You cannot collaborate with anyone on your homework assignments. Late homework will not be accepted. All exams are closed book exams and can be cumulative depending on the average class performance in the previous exams.

Grades will be assigned as follows:

Above 90%	A
Less than 90% and 80% or above	B
Less than 80% and 70% or above	C
Less than 70% and 60% or above	D
Less than 60%	F

If you are taking this class pass/fail, you need to attend all classes, take all the required exams, and obtain a letter grade C or better to pass the course.

**EXAMS 1, 2 and 3 WILL BE DONE ONLINE USING CANVAS. EVERYONE SHOULD BRING A LAPTOP TO CLASS FOR THESE EXAMS.**

You are responsible for finding out when an exam has been scheduled, and when homework is due to be turned in. No makeup exams will be given for any reason. If you have a valid reason for being absent, such as illness (supported by a medical certificate or confirmation from your GTE advisor) and miss an exam, you will be permitted to assign higher weights to other exams before you take those exams. If you have a GT approved absence, please meet with me and let me know at least 2 weeks before your travel date.

### **Attendance and Class Participation**

You are required to attend all classes and be in class on time. Regular attendance will enable you to understand the material more easily, as the lectures and class discussions form an important part of this course. Your final grade may be lowered by a letter grade if there are two or more unexcused absences. Examples of excused absences include illness, and family emergencies supported by suitable documentation. You are responsible for all the material covered in the class, and for finding out details regarding the exams and assignments. I encourage you to participate actively in class discussions.

### **Office hours**

My office hours will be announced during the first/second week of class. In order to make best use of the office hours, please come to the office hours with all your questions listed on a separate sheet of paper. Please also be prepared to discuss how you initially approached the problem, and the difficulties you encountered.

### **Accommodations through Office of Disability Services**

Georgia Tech offers accommodations to students with disabilities. Please contact the Office of Disability Services (ODS) if you require such accommodation. If you already have a letter from the ODS approving specific accommodations, please be sure to email Ms. Guynot and me a copy of that letter. You will take your exams at the testing room provided by GTE. Please be sure to arrange with Ms. Guynot for a place to take all your exams early in the semester. If you need to speak with me, please email me, and we can find a time to meet.

### **Honor Code**

The Georgia Tech Academic Honor Code is enforced at all times. All exams and homework are individual efforts, so you cannot give help to or receive help from anyone inside or outside the class. **You cannot use Chegg, ChatGPT or any other online resource, and you cannot take help from anyone.** You can find more information about the honor code at <http://honor.gatech.edu/content/2/the-honor-code>

### **Student-Faculty Expectations Agreement**

At Georgia Tech we believe that it is important to strive for an atmosphere of mutual respect, acknowledgement, and responsibility between faculty members and the student body. See <http://www.catalog.gatech.edu/rules/22/> for an articulation of some basic expectations that you can have of me and that I have of you. In the end, simple respect for knowledge, hard work, and cordial interactions will help build the environment we seek. Therefore, I encourage you to remain committed to the ideals of Georgia Tech while in this class.

### **Other Details**

The best way to reach me is by email: [usha.nair@gatech.edu](mailto:usha.nair@gatech.edu). I check my email regularly. If you don't hear from me within 24 hours during the work week, be sure to email me again. Please write **Econ 4350 in the subject line** of your email whenever you email me. I get a lot of emails, and I prioritize emails from my students and this is my way of identifying that the emails are

from students in my class. If you need to speak with me urgently, please indicate Econ 4350 URGENT in the subject line of your email, and I will get back with you as soon as I can.

Papers, projects, tests, homework, and other assignments will only be accepted in electronic form. Additional information is available in the [Student Guidebook](#).

These are challenging times for all of us, some more than others. Let us be kind and considerate and support each other. If you need help, please contact me as soon as possible, so I can work with you and help as best as I can. Feel free to contact me even if you need help that is not related to Econ 2101, if you think I may be able to help. Please make your mental and physical well-being a priority.

### Reading Assignments and Approximate Schedule

This is a tentative schedule and is subject to change. I will supplement the chapters from the text indicated below with handouts, journal articles, and other materials as appropriate. I will provide all extra readings/links to readings on Canvas. Additional topics may be included as appropriate during the presentations and discussions.

Week #	Topic	Chapter # TBA	Exams/Homework due dates
Week 1	Introduction to Globalization Ricardian Model	1, 2	
Week 2	Ricardian Model..contin.	2	
Week 3	Specific Factors Model Heckscher-Ohlin Model	3, 4	
Week 4	Heckscher-Ohlin Model - contin Increasing Returns to Scale and Monopolistic Competition	4, 6	<b>Homework 1: June 8<sup>th</sup>, by 11.59 pm</b>
Week 5	Increasing Returns to Scale – contin.	6	<b>Exam 1: June 14, Wednesday</b>
Week 6	Offshoring of Goods and Services Tariffs and Quotas	7, 8, 9	
Week 7	Tariffs and Quotas - contin	8, 9	
Week 8	International Trade Agreements Euro Economies/ Euro Zone, Brexit Global Macro Economy	11, and lectures	<b>Homework 2: July 6<sup>th</sup>, by 11.59 pm</b>

Week 9	Exchange rates	Lectures	<b>Exam 2: July 12, Wednesday</b>
Week 10	Exchange rates.. contin.	Lectures	<b>Homework 3: July 18, by 11.59 pm</b>
Week 11	Case study: Global Financial Crisis	Discussion	<b>Exam 3: July 24, Monday</b>