

Course Outline

**Econ 181 International Trade
Summer 2002
MTWTH 12 noon – 2 p.m.
50 Birge Hall
June 24 – Aug 16, 2002**

**Meenakshi Nath Dalal
Visiting Professor
Department of Economics
University of California, Berkeley
549 Evans Hall #3880**

**Office hours: 2:30 – 3:30 p.m. M W
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Nature of Course:

This course covers the microeconomic foundations of international trade, trade policies, multilateral trade policy negotiations, and international factor mobility. Material covered can be categorized into three main parts:

- (1) The evolution of the theoretical framework of international trade.
- (2) Trade policies and multilateral trade negotiations.
- (3) Selected topics on globalization.

Required Text:

Paul Krugman and Maurice Obstfeld, *International Economics: Theory and Policy*, Addison-Wesley, Fifth Edition, 1999.

Grading: Homework 20%, Group Project 20%, Midterm 30%, and Final Exam 30%.

Tentative Schedule:

June 24 Introduction and Overview of the course. Ch. 1

June 25 – 26 Theory of International Trade. Ch. 2

- historical perspective of evolution of trade theory
- comparative advantage : Ricardian Model

June 27 – 30 Specific Factor and Income Distribution. Ch. 3

July 1 –2 Resources and Trade: The Hecksher-Ohlin Model. Ch. 4

July 3-8 The Standard Trade Model. Ch. 5

July 9 – 10 Economics of Scale, Imperfect Competition and International Trade. Ch. 6

July 11-15 International Factor Movement. Ch. 7

July 17 Review

July 18 Midterm

- July 22-24** **The Instrument of Trade Policy. Ch. 8**
- July 25-29** **Political Economy of Trade Policy. Ch. 9**
- Jul 30- Aug 1** **Multilateral Agencies related to Trade**
- Aug 1-2** **Trade Policy of Developing Countries**
- Aug 3-4** **Globalization**
- Aug 5-6** **Strategic Trade Policies in Advanced Countries. Ch. 11**
- Aug 7-8** **National Income Accounting and BOP. Ch. 12**
- Aug. 12-13** **Exchange Rate and Foreign Exchange Market. Ch 13**
EMU
- Aug. 14** **Review**
- Aug 15** **Final Exam**

PLEASE NOTE:

Homework assignments must be turned in by the due date to receive full credit.

Group project will be explained in class and the instructor will assign students groups.

There will be no make-up exams. Please contact me immediately if you have a documented medical situation. If you require special accommodation for exams due to learning or other disability, please bring relevant documentation and talk to me by the end of the first week.

Academic Honesty – Any form of cheating will result in a score of zero on that assignment or exam; also, the student being reported to the Office of Student Conduct. Cheating on the final exam will automatically result in a grade of “F” for the course.