

**ACADIA UNIVERSITY**  
**Wolfville, Nova Scotia**

**Economics 4113 X2 – International Trade Theory**  
**Winter 2019**

<b>Professor:</b>	<b>Dave Smart</b>	<b>Class Time:</b>	<b>M W 2:30 – 4:00 pm</b>
<b>Office:</b>	<b>BAC 345</b>	<b>Classroom:</b>	<b>BAC 132 (may change)</b>
<b>Office Hours:</b>	<b>M W F 10:30 am – 12:00 noon</b>	<b>E-mail:</b>	<b><a href="mailto:david.smart@acadiau.ca">david.smart@acadiau.ca</a></b>
	<b>Or By Appointment</b>	<b>Telephone:</b>	<b>(902) 579-7866</b>

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**Required Textbook:** **Introduction to International Economics**, Salvatore, Dominick. Third Edition, John Wiley & Sons, 2012

**Aim and Scope:** There is hardly an area of life in Canada today that is not impacted by the existence and extent of International Trade. The daily newspapers often refer to trading partners and allies as well as the problems associated with the restricting or closing of borders to Canadian goods. In fact, the study of international trade is not just of interest to economists as virtually all types of managers and workers will be impacted to some degree by the changing nature of international trade.

The purpose of this course will be to examine the motives for international trade and the evolution of economic theories and models to describe the relationship and impacts of economic forces. The course will also examine the patterns of international trade as well as the implications of welfare and wealth distribution resulting from international trade. The course will examine how the politics and economics of international trade affect the trade policies of nations, as well as how and why some nations may resort to the use of various trade measures to restrict international trade. Finally, the course will examine the various international and multilateral mechanisms and organizations that have been developed to regulate international trade. The course will focus on real-world examples to highlight and enhance the theoretical and empirical knowledge of the textbook. In addition, the course will focus on the impact on Canada and the implications for Canadian economic, social and political policies.

**Evaluation:** The final grade for the course is distributed as follows:

<b>Individual Assignments</b>	<b>(2 @ 5% each)</b>	<b>10%</b>
<b>2 in-class Tests</b>	<b>@ 15% each (see dates below)</b>	<b>30%</b>
<b>Major Group Project</b>	<b>(see details and dates below)</b>	<b>30%</b>
<b>Final Examination</b>	<b>(date set by the Registrar)</b>	<b><u>30%</u></b>
		<b>100%</b>

**Major Project:** The NAFTA Experience: Past, Present & Future. Working in groups, students will be assigned as one of the three partners in NAFTA and focus on that partner's perspective of the background rationale for the initial agreement; the reasons for re-negotiation; and an assessment of the relative gains and losses under the recently completed USMCA Trade Agreement. The deliverables will be a group presentation to the class (10%); A moderated Class Discussion/Debate (10%); and a 3,000 word group paper (10%). A Peer Evaluation will be used to apportion marks. Further details will be provided during the course.

**Course Policies:** **There will not be make-up Tests.** The weight of the marks from any missed test will be added to the marks for the final exam.

Students will be given the opportunity to overwrite their lowest test score with their exam grade, if it is to their advantage. Therefore, the final exam can be worth up to 45% of your final grade. This weighting re-assignment will be done automatically and can only increase your overall grade.

**Only a basic calculator is allowed during the in-class tests and for the final examination.** Therefore, the use of any other calculator is prohibited and will be taken away from the student. In addition, students are not allowed to use any electronic devices such as an electronic dictionary, laptops, cell phones, smart phones, or smart watches during the in-class tests, and during the final examination. All study materials and bookbags are to be left at the front of the classroom during in-class tests and the final examination.

The use of laptops, tablets and/or cell phones, during class time is meant to be in support of the classroom material. Students wishing to use such devices for this purpose should consult with the instructor. Permission for use will only be granted on this basis.

It is the responsibility of students to familiarize themselves with the University's policy on academic ethics. Penalties are severe and may result in suspension from a course, a program or expulsion from the University. A complete list of the applicable Academic Regulations can be found on the Policies page of the University website as well as within the Academic Calendar.

If you are a student with a documented requirement for accommodation during the course, please see me after you have met with Student Disability Services. They can be contacted by phone at (902) 585-129; via e-mail at: [disability.access@acadiau.ca](mailto:disability.access@acadiau.ca) or at Disability Access Services, part of the Student Resource Center on the lower floor of the Old Student Union Building (Old SUB).

**Important Dates:**

7 Jan	Classes begin
<b>4 Feb</b>	<b>Test 1 (covers Topics 1 &amp; 2)</b>
18 – 22 Feb	No Classes – Study Break
<b>11 Mar</b>	<b>Test 2 (covers Topic 3)</b>
<b>8 Apr</b>	<b>Last day of classes (group paper due)</b>

Date for final examination will be posted by Registrar

**Planned Schedule of Topics and Readings:**

**Topic 1- Introduction:**

- Chapter 1 Introduction to the Global Economy

**Topic 2 – Tools of Analysis:**

- Chapter 2 Comparative Advantage (Ricardian)
- Chapter 3 Standard Trade Model
- Chapter 4 Beyond Comparative Advantage (H-O & other Theories)

**Topic 3 – Tools of Influence:**

- Chapter 5 Trade Restrictions: Tariffs
- Chapter 6 Non-Tariff Barriers

**Topic 4 – Bringing the Tools Together:**

- Chapter 7 Economic Integration & Role of the WTO

**Topic 5 – Using What You've Learned:**

- Student Presentations on NAFTA Partners
- Student-led Discussion on NAFTA: Past, Present & Future

**Topic 6 – Conclusions & Review**