

ECO 3200: International Trade and Finance

SECTION — Winter 2024

Instructor Information

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Office Hours: Wednesday: 2:30-3:30 PM, please make a reservation [here](#).

Class Information

Dates: 1/8/24-4/5/24

Time: MWF 1:15-2:15 PM

Classroom: Zoom

Course Description

This course is a one semester survey of international trade and finance. We will examine several models which help explain the patterns of trade as well as its welfare gains and losses. We will also discuss barriers to trade such as quotas and tariffs and the political economy of international trade. We will then turn to a study of issues in international finance including monetary and asset market theories of exchange rate determination and balance of payments accounts.

We will be using an e-book through Achieve called *International Economics* 5e by Feenstra and Taylor. You can purchase the paper copy of the book if you want, but it is not required. The chapter numbers in the syllabus refer to the Achieve e-book.

Course Objectives

Your goal in this course is to gain a broad understanding of the international dimensions of economic interactions. This means that by the end of the term you should be able to. . .

- Analyze various models of international trade and apply the models to understanding trade patterns.
- Analyze the effects of trade barriers on economic welfare.
- Develop an understanding of issues pertaining to the political economy of international trade.
- Analyze models of exchange rate determination, including asset market and monetary theories.
- Understand the balance of payments account.

Course Requirements

1. **Attendance:** Attendance is an essential component of this course. However, recognizing the need for flexibility, students are allowed to miss **up to two classes** without penalty under the following condition.
 - (a) **Pre-arranged Absences:** Should you need to miss a class, you are required to inform me via email prior to the class session. Please include a brief explanation for your absence.
 - (b) **Unexpected Absences:** In cases of unforeseen circumstances where prior notification is not possible, you must provide an excused note from your health care provider or relevant authority to justify the absence.

Exceeding two allowed absences will impact your grade as follows: a third absence eliminates the attendance points, a fourth limits your highest possible grade to 60, and a fifth results in course failure.

2. **Readings:** It is required and expected that you complete the reading assignment for each class **before the start of class**. I expect you to read with comprehension and not simply scan through the material. Doing the reading will also enable you to contribute significantly to class discussion.
3. **Class rules:** Since the class is virtual, you should
 - (a) **Technical Preparedness:** Ensure your device, internet connection, and any required software are functioning properly before class. You should be sitting in a quiet place to attend the class.
 - (b) **Be Punctual:** Log in to the virtual classroom a few minutes before the scheduled start time.
 - (c) **Mute Your Microphone:** Keep your microphone muted unless you are asking or answering questions.
 - (d) **Turn Your Video On:** Keep your video on. If you repeatedly turn off your video in the middle of the class, I would mark you absent.

Homework

The only way to learn is to practice! It is essential for students to complete all of the homework assignments. The purpose of homework is to assist you in understanding the concepts covered in class. Completing all the homework problems is the best way to practice and prepare for tests and exams.

If you need or desire an extension on any homework for any reason, contact me in a timely fashion, as permitted by the need. There is no guarantee that you will receive an extension on any assignment, so plan your schedule carefully. Finally, you are encouraged to work with others on homeworks. However, do not simply use others to do your work but rather use others to help work through and engage in the concepts. If you work with others on written homeworks, **indicate on your assignment with whom you worked. Plagiarism is unacceptable** and will result in a zero grade for all persons involved, and will result in serious academic repercussions.

Quizzes and Exams

The course includes two **open-book, in-person** quizzes and one final exam, each focusing on specific sections of the material. Start preparing before they arrive! **No make-up quizzes or final will be given.** In the case of a missed quiz due to a legitimate reason (supported by documentation from a medical professional or the Provost's Office), the student's performance on the relevant portion of another quiz or the cumulative final exam will be used to substitute the missed grade. Regarding the use of calculators, students must not share calculators, and the use of calculator functions on cell phones is strictly prohibited. For quizzes and exams, the only permitted technology is a stand-alone calculator. No other electronic devices or aids are allowed during these assessments.

Case Study

This course includes a case study project, which allows students to select a real-world scenario of their choice. Throughout the course, you will have the opportunity to apply the models and techniques learned to analyze this case in depth. The scope of the case study can vary greatly, ranging from the trade dynamics between two counties to the complexities of trade between two countries. For example, you might choose to use the Ricardian model to examine the trade relationship between Elmira and Horseheads, or between the U.S. and Mexico/Canada with respect to a specific product. Your task is to write a one-page analysis. In addition, you are required to present a brief overview of your case study to the class, sharing your insights and analysis. The presentations will take place during the final instruction week. Please submit both your one-page analysis and your presentation slides at the beginning of that week, regardless of your scheduled presentation day. This project is an excellent opportunity to bridge theoretical knowledge with practical application, enhancing your understanding of international trade and finance models.

Grading

The course grade is determined by the following components:

Problem Sets	3*10%=30%
Quizzes	2*15%=30%
Final Exam	25%
Case Study	10% (5% Written, 5% Presentation)
Attendance	5%

Accessibility Services (Accommodations)

Elmira College is committed to providing reasonable accommodations and services to students with qualifying documented disabilities, in accordance with Section 504 of the Rehabilitation Act of 1973, as amended, and with the Americans with Disabilities Act of 1990 (ADA). Students who have eligibility documentation on file with Elmira College's Manager of Accessibility Services can be approved for a variety of appropriate accommodations that are matched to the individual student's identified needs. Students who feel they may be entitled to academic accommodations due to a diagnosed disability should start by emailing accommodations@elmira.edu, calling (607) 735-1808, or stopping by the Office of Student Success in the Gannett-Tripp Library. Additional information about the services provided along with policies and forms can be accessed at: [Accessibility Services](#). Please share your accommodations memo with me at the beginning of the term.

AI & Academic Integrity

To ensure development and mastery of the foundational concepts and skills in this course, the use of generative artificial intelligence (AI) tools is prohibited. If you are unsure of any policy or any assignment-specific directions—including whether or not a tool is considered generative AI—please consult the instructor prior to using the technology or completing your assignment. Academic dishonesty is a serious violation that is counter to the purpose and aims of Elmira College. A complete statement of college policy on academic honesty is set forth in the Student Handbook in the section on academic policy. All instances of academic dishonesty will be reported to the Dean of Faculty.

Diversity, Equity, and Inclusion

Elmira College is dedicated to attracting and retaining students from diverse backgrounds to our campus. Our Mission to help students become globally engaged students is accomplished, in part, by attracting and retaining a diverse student population. The class intends to generate an inclusive environment for all students.

Important Dates

- Jan.12: Last Day to Register or Add Courses for Thirteen-Week Term
- Jan.15: Martin Luther King Day (No Class)
- Jan.19: Last Day to Withdraw to Have Courses Removed From Transcript
- Mar.2-10: Winter 2024 Break
- Mar.11: Classes Resume
- Mar.22: Last Day of the Withdrawal Period
- Apr.5: Last Class

Table 1: Tentative Schedule for the Course

Date	Topics and Reading Assignments	Due Dates
<i>Week 1</i>		
01/08	Introduction	
01/10	Chapter 1 The Global Economy	
01/12	Chapter 2 Ricardian Model	
<i>Week 2</i>		
01/15	Martin Luther King Day, no class	
01/17	Chapter 2 Ricardian Model	
01/19	Chapter 2 Ricardian Model	
<i>Week 3</i>		
01/22	Chapter 3 Specific Factors Model	
01/24	Chapter 3 Specific Factors Model	
01/26	Chapter 3 Specific Factors Model	
<i>Week 4</i>		
01/29	Chapter 4 Heckscher-Olin Model	PS1 Handed out
01/31	Chapter 4 Heckscher-Olin Model	
02/02	Chapter 4 Heckscher-Olin Model	
<i>Week 5</i>		
02/05	Quiz 1	
02/07	Chapter 7 Offshoring of Goods and Services	
02/09	Chapter 7 Offshoring of Goods and Services	
<i>Week 6</i>		
02/12	Chapter 8 Trade Policy I	PS1 Due, PS2 Handed out
02/14	Chapter 8 Trade Policy I	
02/16	Chapter 8 Trade Policy I	
<i>Week 7</i>		
02/19	Chapter 9 Trade Policy II	
02/21	Chapter 9 Trade Policy II	
02/23	Chapter 9 Trade Policy II	
<i>Week 8</i>		
02/26	Quiz 2	PS2 Due
02/28	Chapter 13 Foreign Exchange Market	
03/01	Chapter 13 Foreign Exchange Market	
<i>Week 9</i>		
Winter Break		
03/04		
03/06		
03/08		
<i>Week 10</i>		
03/11	Chapter 14 Exchange Rate in the Long Run	PS3 Handed out
03/13	Chapter 14 Exchange Rate in the Long Run	
03/15	Chapter 14 Exchange Rate in the Long Run	
<i>Week 11</i>		
03/18	Chapter 15 Exchange Rate in the Short Run	
03/20	Chapter 15 Exchange Rate in the Short Run	
03/22	Chapter 15 Exchange Rate in the Short Run	
<i>Week 12</i>		
03/25	Chapter 16 Balance of Payments and International Accounts	PS3 Due
03/27	Chapter 16 Balance of Payments and International Accounts	
03/29	Chapter 16 Balance of Payments and International Accounts	
<i>Week 13</i>		
<i>Presentations</i>		
04/01	Presentations	One-page analysis due, presentation slides due
04/03	Presentations	
04/05	Presentations	
<i>Week 14</i>		
<i>Final Exam</i>		