

Class Meets:

TTh. 1:30-2:45 pm (section 1, RAWL 1086). 3-4:15 pm (section 2, KRAN G016).

Contacts:**Professor: Chong Xiang**

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Hours: 1:30-2:30 pm, MW

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Course goal: We provide a broad overview of the microeconomic aspects of the international economy. We emphasize the development of analytical tools. We also show how we can apply these tools to questions with real-world relevance.

Prerequisites:

Econ 251, Econ 252 (Principles of Microeconomics, Principles of Macroeconomics)

Textbook:

1. Feenstra and Taylor, "International Trade", 3rd Edition. We follow the textbook very closely in class and cover about 70% of its contents.
2. Yeaple, Study Guide for Feenstra and Taylor's International Trade, 2nd Edition. We take many practice problems from the Study Guide.

5 copies of the textbook (2nd and 3rd editions) and 5 copies of the Study Guide (2nd edition) are on reserve at Parrish (the management-and-econ library).

Distribution of homework and other materials:

Blackboard - <http://www.itap.purdue.edu/learning/tools/blackboard/>

Course Grades:

Attendance (3)	5%
Quizzes (best 5 out of 6)	25%
Homework Assignments (best 3 of 4)	25%
Midterm (in class)	20%

Final Exam

25%

Fixed Dates:Discussion & Application Sessions

Immigration: Feb. 27

Quizzes

Quiz 1: Jan. 21

Quiz 2: Jan. 30

Quiz 3: Feb. 13

Quiz 4: Feb. 25

Quiz 5: Mar. 26

Quiz 6: Apr. 16

Homework Assignments

Homework 1: posted Feb. 4, due back Feb. 11

Homework 2: posted Feb. 20, due back Mar. 3.

Homework 3: posted Apr. 2, due back Apr. 9

Homework 4: posted Apr. 21, due back Apr. 28

Reviews

Review 1: Mar. 3

Review 2: Apr. 28

Mid-term Exam

In class: Mar. 5

Approximate Schedule of Class Materials:

This should be regarded as a likely (but not 100%-certain) schedule as some topics may run shorter or longer than planned. If adjustments are necessary I will try to make them far enough in advance to give you sufficient warning.

	Date	Topic	Coverage
1	Jan. 14-16	Introduction and Overview	Covers: Textbook Chapter 1;
2	Jan. 16-21	How to Think About Trade Deficits?	Posted Materials
3	Jan. 23 – Feb.6	Why do countries trade? The Ricardian Model	Covers: Textbook Chapter 2, sections 1~3.
4	Feb. 6 – Feb. 18	Who gain and who lose from trade? The Specific Factors Model	Covers: Textbook Chapter 3.

5	Feb. 18 – 25	Immigration	Covers: Textbook Chapter 5, sections 1~3, minus long-run effects.
6	Feb. 27	Discussion: What should we do about the U.S. immigration policy?	Posted Materials
7	Mar. 10, Mar. 24-Mar. 31	How does trade affect income inequality? The Heckscher-Ohlin Model	Covers: Textbook Chapter 4, sections 1 and 3.
8	Mar. 31-Apr. 2	Offshoring	Covers: Textbook Chapter 7. Sections 1 and 3.
9	Apr. 7-23	Effects of Tariffs and Quota	Covers: Textbook Chapter 8, minus optimal tariff.
10	Apr. 23	Current U.S. Tariffs	Posted Materials

How Do I Get a Good Grade?

1. Attend the class, all the time. A lot of learning takes place while hearing and seeing the materials from the professor and converting them into your own notes. In addition, *quizzes and attendance together account for 30% of the grade!*

2. Other useful tips:

(1) In class, take lots of notes. Do not just rely on the writings on the power point slides. You understand your notes the best. The more you write down, the less likely you are to get lost when you revisit your notes later.

(2) *Take the problem sets very seriously, including the questions in the Study Guide, which you do not need to turn in.*

(3) Start preparing for the exams early, at least a week in advance. Create your own crib sheets (see FAQ 1 below) instead of copying your friends'.

Consequences for Academic Dishonesty

The first violation leads to the loss of 5 points from the grand total. The second violation leads to the reduction of two letter grades (e.g. A to C) and formal report to the Dean.

Frequently Asked Questions (FAQs):

1. *Can I bring a crib sheet to the exams?*

Yes, you may bring one 8.5 x 11 sheet. This sheet may contain whatever material you like (But no magnifying glasses!), and is ONE-SIDED only. One sheet for each mid-term, and one sheet for the final.

2. *Is the final exam cumulative?*

No. The mid-terms cover materials 1~6 (see “Approximate Schedule of Class Materials” above). The final covers 7~10.

3. *When are the answer keys to homework assignments posted?*

All homework assignments and answer keys are posted on Blackboard. The answer keys will be posted on (or immediately after) the due dates of the assignments, which are listed under “Fixed Dates”.

4. *Do you accept late homework assignments?*

No. Note that we drop one assignment in calculating the overall grade (best 3 out of 4).

5. *What will happen if I am late for a quiz class?*

All our quizzes are at the end of classes, and they encourage and reward class participation. Therefore, if you are very late for a quiz class, I will NOT be able to allow you to take the quiz. Note that we drop one quiz in calculating the overall grade (best 5 out of 6).

You can sign up for emergency text messages.

<http://www.purdue.edu/securepurdue/>

Emergency information and updates will be posted on Purdue's homepage at

<http://www.purdue.edu>