

University of Toronto, Economics Department, Academic Year 2018-19

International Economic Institutions and Policy, ECO230Y1

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Office Hours: Wednesdays 2:30-4:00PM. Room GE164, only for fall semester. Please check the course Quercus website for the updates and winter office hours.

Course Description:

This course includes two major parts. First the international trade, which examines different trade theories, and impacts of different trade policies on economies. Also, the effects of trade on the patterns of production, consumption, prices, wages, and welfare will be studied in this part. Second the international finance, which mainly discusses the macroeconomic theories of balance of payments and exchange rate in a small open economy. Theories of exchange-rate determination in a world of floating exchange rates are discussed, and the different exchange rate regimes, i.e. fixed versus flexible exchange rates are compared in terms impacts of policies and shocks, capital movements, and money supply, in short and long run.

Textbook:

Paul Krugman, Obstfeld, and Melitz, REVEL for International Economics: Theory and Policy, Access Card, 11/E, ISBN-10: 0134744527, ISBN-13: 9780134744520, available at UofT bookstore.

Evaluations:

For this course, you need to complete three term tests, a final exam, two writing assignments, and a bunch of graded on-line assignments, with the weights and schedules shown in the table in below.

Evaluation	Weight	Date	Time
Term Test #1	15%	Nov. 14, 2018	During class hours
First semester graded assignments	7%	First semester	
Term Test #2	12.5%	Jan. 30, 2019	During class hours
Second semester graded assignments	8%	Second semester	
Term Test #3	12.5%	March 20, 2019	During class hours
Writing Assignment	10%	March 31, 2019	9pm, sharp
Final Exam	35%	TBD	TBD

- There will be **no** make-up test. If for any emergency circumstances, acceptable by the university rules, you miss a term test, the weight will be shifted to the final exam. In case of missing a test, you should inform me by email within two days from the test, and submit the **hardcopy** of your documentations within a week of the missed test to me, or the economics department front desk. Please do not send the scan of the documents by email. **If you miss more than a term test, one will be replaced by the final exam, and the rest will receive ZERO under ANY circumstances.**

- The details of the writing assignments will be announced later on. This assignment is a **group** assignment. The deadlines for writing assignments will not be extended, so no late deduction is applicable. No excuses like network failure or system interruption ... is acceptable. If you miss the writing assignments, they cannot be substituted by anything else.

- The graded assignments will be posted on the course Quercus website, each covering a few chapters, and are in multiple-choice format. Make sure you don't miss them, by regularly checking Quercus. If you miss them, they cannot be substituted by anything else.
- You have plenty of time to finish the writing assignments and graded assignments, but please don't leave them to the last minutes, as many urgent problems including system technical problems or medical emergencies may arise. So, no medical or health certificates or other excuses are accepted for writing assignments or graded assignments.

Emails, Quercus Messages (Inbox), and Quercus Website:

- I will use the Quercus messages (Inbox) in order to send mass emails to all students in the course. So, it is your responsibility to check your Quercus Inbox, on a regular basis, in order to get my messages. However, I will **NOT** expect to receive any contacts or messages in my Quercus Inbox. So, I may not check it. Also, I may **NOT** monitor, follow, and intervene any possible students' conversations in Quercus.
- In order to communicate with me, you must use your UofT email address and my UofT email address (given in above). Essentially, emails are used only as the last resort, and after checking the course outline and website announcements. I may address the issues sent by email in class, instead of replying by email. For questions regarding the course materials you should talk to me or TA during the office hours, class, or tutorials. In case of email, you should put the **course name and section in the subject line, otherwise I will not open your email.**
- I will post all the course materials including the writing assignments instructions, graded assignments, exercises and solutions, announcements, and other related materials in the course Quercus. It is your responsibility to check the website, on a regular basis, to get the information.

- Notes posted on the website may not be complete. They will be completed in class. The complete version will **NOT** be available.

Appeals:

For re-grading your term tests, you should submit a written request (hardcopy) including your detailed justifications for regrading and a copy of the parts of your test paper that should be regarded to me or the Economics Department, within 2 weeks after returning the results to students. After this period, no request is accepted. Writing things like **“I believe I should receive more partial marks for this question”** is not a good basis for re-grading. I may decide to regrade the whole test paper, so your grade can go either way, up or down after re-grading.

Behavior and Conduct in Class:

No distraction in class will be tolerated. You are asked to leave the class if you distract the class by talking to others, or use of electronic devices like cell phone, IPod, or any other devices.

Academic Integrity:

- Students should note that any form of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on a test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties. All suspected cases will be reported to the Department of Economics and OSAI. Please consult with the university's *Code of Behavior on Academic Matters*: (<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>).

- In order to avoid plagiarism, your assignments may be submitted to Turnitin.com. You can find the details about what plagiarism is and how to avoid it, check this link:

<http://www.utoronto.ca/academicintegrity>.

Academic Aids and Support:

- In order to receive helpful information for your essays, you can use the services of several Writing Centers at the University of Toronto. A list of these Writing Centers can be found at

<http://www.writing.utoronto.ca/writing-centres/centres>.

For more general advice on academic essay-writing, please refer to:

<http://www.artsci.utoronto.ca/current/advising/ell>

Other Issues:

- Please make sure to have proper prerequisites of this course in order to avoid any problem later on with your registration for this course.

- I will follow the textbook very closely, but supplementary examples, graphs, and materials might be discussed in class. For the tests and exam, you are responsible for all the materials that are discussed in class.

- - There might be marginal grade adjustments for the final grade of the course at the instructor's discretion, in terms of letter grade. In case of petition for re-grading of the final exam, the adjustment may be revised.

Topics:

This is a tentative schedule for this course.

Actual pace, order, and coverage of the materials might be different

Chapter	Sessions	Materials
1-2	1	Introduction: Facts About Trade and Globalization
3	2 & 3	Labor Productivity and Comparative Advantage: Ricardian Model of Trade
4	4 & 5	Specific Factors and Income Distribution
5	6	Resources, Comparative Advantage, and Income Distribution: Heckscher-Ohlin Model (The Factor Proportions Model)
6	7 & 8	The Standard Model
	9	Term Test #1: November 14, 2018
7	10 & 11	The External Economies to Scale Trade Model
9	12	The Instruments of Trade Policies, Tariffs, Quotas, and VERs
13	13	National Accounting
14	14 & 15	Exchange Rates and the Foreign Exchange Market
	16	Term Test #2: January 30, 2019
15	17 & 18	Money, Interest Rates, and Exchange Rates
16	19	Price Levels and Exchange Rate in the Long Run
17	20 & 21	Output and Exchange Rate in the Short Run
	22	Term Test #3: March 20, 2019
18	23	Macroeconomics under Fixed Exchange Rate Regime
19	24	The International Monetary System and Macroeconomics under Floating Exchange Rate Regime