

# ECO 231H1-F: Economics of Global Trade

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Course site for all sections: <https://q.utoronto.ca/courses/397783>

Communication (office hours, Piazza, e-mail): see Section 8

## 1. Course Description

This course examines theories of international trade in goods and services and analyzes the consequences of trade policies. The first part of the course presents the principle of comparative advantage and its application to classical and modern trade theory. It discusses causes and patterns of trade, as well as the economic effects of trade on inequality, economic growth and welfare. The second part of the course examines trade policies, in particular their effect on trade flows and national welfare, as well as the political economy of trade policies and international trade cooperation.

## 2. Learning Outcomes

By the end of the course, students will be able to:

1. Explain why some nations export sophisticated high-tech products and others export simple manufactured goods based on the principle of comparative advantage
2. Explain why the majority of economists think that free trade is a good policy
3. Analyse how opening up to free trade affects inequality within the country
4. Provide a basic explanation of the role of firms in modern trade
5. Explain how the country's trade policy is shaped by its economic welfare considerations, as well as domestic political concerns.
6. Evaluate the benefits and drawbacks of a trade policy in a given economic and political context
7. Describe the role on international trade organizations in shaping countries' economic welfare

## 3. Prerequisites, Accessibility and Help

- Contact the [undergraduate administrator](#) for help with [prerequisites](#). The instructor [cannot waive prerequisites](#).
- For accessibility concerns immediately visit <http://www.studentlife.utoronto.ca/as> and register with [Accommodated Testing Services \(ATS\)](#). We can only provide accommodations outside of the accommodations within the design of the course if they are suggested by ATS.
- If you have trouble, seek help right away from us, the [Academic Success Centre](#) and/or your [College Registrar](#). The Registrar can provide you with comprehensive support and guidance and, where appropriate, contact your professor and advocate on your behalf while protecting your privacy. This requires *working closely* with your College Registrar, and not merely having them restate your requests to your professors. Remember, **for any issues that extend beyond this course, or last more than a week, contact your College Registrar immediately.**

## 4. Technical requirements

Some course components (office hours) may be online. Proactively maintain your devices and software. For [Zoom](#), this includes downloading and regularly updating the Zoom Desktop Client. For [Crowdmark](#), you need high-speed internet, a PC or laptop, and the ability to scan (or take pictures of) your assignments and upload them. Immediately contact [The Information Commons Help Desk](#) with any technical issues related to your devices, software, Quercus, or connectivity. We will not accept missed work due to technical difficulty, deadline confusion, internet, or hardware problems.

## 5. Required Readings

The recommended textbook for this course is *International Economics: Theory & Policy*, by Paul R. Krugman, Maurice Obstfeld and Marc Melitz, 12th Edition. I will be following the textbook closely for some of the material. For the topics where my coverage differs from the book, my coverage takes precedence. You can purchase the text at the UofT Bookstore.

## 6. Course Delivery Details

### 6.1 Pre-recorded Lectures

Each week, core material (theories and technical details) will be posted as pre-recorded lectures with slides, starting September 8<sup>th</sup> 2025, and continuing weekly on Mondays. This way, you can go over the material and take notes at your own pace. You are required to watch the lecture before the associated in-person Workshop. For best results, treat them like live lectures: block out a regular time to watch the material and avoid distractions.

Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation and are protected by copyright. In this course, you are permitted to download session videos and materials for your own academic use. Do not copy, share, or distribute them without the instructor's explicit permission.

### 6.2 In-person Workshops

During the course calendar times on **Thursdays** we will meet for in-person workshops. During the workshops, I will answer some of your questions, we will do practice problems and past exam problems, discuss the real-world data and current events in the context of the models that are covered in the pre-recorded lectures, as well as the course material more broadly. Workshop attendance is optional but strongly recommended. Students who attend workshops tend to perform significantly better than students who do not.

### 6.3 Possible alternative arrangements

The current format (pre-recorded lectures + in-person workshops) is based on student feedback and past experience: students value recorded material for review and live sessions for questions and discussion. This setup aims to combine both, with the added benefit of in-person interaction.

Note that if the class ends up going fully online, the format of the course delivery may change completely to accommodate the developments.

### 6.4 In-person Tutorials

In-person tutorial sessions will be run by TAs on **Mondays** at **11am-1pm** in **WI 1016**.

Tutorials make up **7% of your final grade** (1% each). There are 9 tutorials in total; you may miss up to **2** without penalty. In tutorials you will work in groups to solve problems. Tutorials are **graded for participation**: full credit requires an honest attempt; no credit for missed or blank submissions. TAs will provide a review of important concepts and be available to answer questions and provide guidance as you work.

## 7. Marking Scheme and Important Dates

The table presents an overview of important deadlines for the course

Date	Term Work	Weight
October 23 <sup>rd</sup> , 2025	Midterm	22%
November 6 <sup>th</sup> , 2025	Writing Assessment Part 1 Due	11%
November 24 <sup>th</sup> , 2025	Writing Assignment Part 2 In Class	19%
Fall Final Exam period	Final Exam, details TBD	33%
Throughout the Course (See Section 7.4)	Participation: 6 Problem Sets	8%
Weekly (See Section 7.4)	Participation: Tutorial Participation	7%

Quercus will give precise details for each assessment, including penalties for lateness, when applicable. Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).

### 7.1 Midterm (22%)

There will be one Midterm held in-person for the course:

- Midterm October 23<sup>rd</sup> 2025

Exact coverage and details of how the test will be administered will be posted on Quercus in advance of the test. **No collaboration** is allowed.

### 7.2 Final Exam (33%)

The final exam will be held in-person during the Fall Final Exam Period. Further details will be posted on Quercus at the end of the term. The final assessment **is** cumulative and will cover all of the material presented in the course. **No collaboration** is allowed.

### 7.3 Writing Assignment (30% total)

The Writing Assignment is designed to help you connect international trade theory to real-world policy questions through a two-stage process. This two-stage design encourages you to first develop a thoughtful, well-researched foundation and then adapt your work in real time to new circumstances, mirroring how trade policies evolve in practice.

#### 7.3.1. Independent Preparation (11%)

You will complete a written analysis outside of class that builds a foundation for your later work. This part will involve tasks such as explaining relevant trade theories and concepts, identifying key stakeholders and their interests and using credible sources to support your analysis.

Part 1 is due Thursday, November 6, 2025, and will be submitted online.

The details of the assignment will be posted on Quercus some time before their due date. You will need to submit the assignment before the deadline. **No collaboration** is allowed. For the generative AI policy, see section 9.1. No extensions are granted for any reason (illness, computer problems etc.). There is a 20% (of assignment total grade) penalty per 24 hours for late submissions. No submissions will be accepted 5 calendar days after the deadline.

### 7.3.2 In-Class Application (19%)

The second stage of the Writing Assignment will be completed during class time on November 24<sup>th</sup>, 2025. At the start of class, you will be provided with new information about the scenario, such as a change in the economic environment, a political shift, or an international trade dispute. Your task will be to apply your Part 1 analysis and the feedback you received to this updated scenario, showing how the new development affects your conclusions. You will write a timed response, such as a policy analysis or recommendation, under exam-style conditions. Attendance is required to receive credit for this component.

### 7.4 Participation (15% total)

The participation grade consists of two main components: Tutorial Participation (7%) and Group Problem Sets (8%). In rare cases, it may further be supplemented by the overall assessment of your engagement in the course (office hours attendance and participation, contribution to Piazza).

#### 7.4.1 Participation 1: Tutorial Participation (10%)

Starting in **Week 3**, tutorials will run weekly and focus on group problem solving. You will work with your peers to complete problems and submit your work at the end of the tutorial.

There are **9 tutorials**, worth **1% each** for a total of **7%** of your final grade. You may miss up to **2** without penalty, so only your best **7** count. Tutorials are **graded for participation**: full credit requires an honest attempt; no credit for missed or blank submissions. TAs will provide a review of important concepts and be available to answer questions and provide guidance as you work.

#### 7.4.2 Participation 2: Graded Group Problem Sets (5%)

There are **6** graded problems, due on some Fridays worth **2% each (total 8%, lowest 2 dropped)**. Each assignment will be posted on Crowdmark, open for 1–2 weeks, and include a mix of numeric, short-answer, and long-answer questions.

You may work in **groups of up to 4** (one submission per group, with all names listed). All group members receive the same mark, but you may change groups as frequently as you want.

Grading is **for participation only**: full credit requires an honest attempt at every question; no credit is given for missed or blank submissions. Problem sets are cumulative (covering recent and earlier material) and are open-book/open-notes.

### 7.5 Remark Requests

Regrade requests must be submitted online through an MS Form which will be posted to Quercus. You have two weeks following the date the form is posted to submit a regrade request. Your mark may remain unchanged, go up, or go down. These are given a fair look: TAs are not seeking to penalize those with genuine marking concerns. Requests are reviewed after the two-week deadline, not immediately. We will not consider any remark requests after the deadline. Note that there is no “reply” to remark requests: after they are processed, any changes will automatically appear on your Crowdmark paper (the most common result is no change.)

### 7.6 Extensions and Make-Ups

Any missed work earns a mark of zero. This section explains special accommodations for: illness, injury, personal/family problems, joining our course late, religious reasons, extracurricular conflicts, technology problems, internet or power outages, quarantine issues, travel issues, accessibility concerns, and/or other challenging situations. **Remember, for significant challenges which last more than a week work with your College Registrar immediately.**

To accommodate students who cannot attend up to two tutorials, we drop the two worst weeks of the tutorial participation. To accommodate students who cannot complete 2 problem sets, we drop the two worst scores. Save

these accommodations for illness or other emergencies entirely outside of your control: do not miss the coursework because you are busy or for any potentially avoidable reasons. Any additional accommodations for the participation elements of the course beyond the ones requested by the ATS or outlined above are extremely limited and completely at our discretion.

For ongoing injury, illness, or personal/family problems that last longer than 5 days you must contact your College Registrar immediately <https://future.utoronto.ca/current-students/registrars/>.

### 7.6.1 Missed Midterm and Part 2 of the Writing Assignment

To be considered for the Makeup Term Test or the Makeup Writing Assessment

1. Complete the Missed Test or Assessment form on that will be published on Quercus. We expect the MS form to be submitted BEFORE the missed test or assessment. We do NOT wish to see documents from medical professionals.
2. One week after submitting the Missed Test or Assessment form you will receive an email that will either: approve your request for a make-up; ask for more information; or deny your request. If you feel I have not treated your request fairly you may contact your College Registrar to mediate.

The above steps must be followed to receive consideration. Additionally, you are welcome to talk to me after class or in office hours to further discuss your absence, but this is not required. You should also review the Arts and Sciences specific policy details here: <https://www.artsci.utoronto.ca/current/academics/student-absences>

There will be a make-up midterm scheduled for the end of the Fall semester. This exam will cover material from the entire course prior to the makeup date. There will also be one make-up writing assignment (part 2) scheduled for the end of the Fall semester. If you are facing significant difficulties in attending class or completing assignments that continue for longer than a week you should contact your College Registrar immediately for assistance.

## 8. Communication

**In person:** Class meetings are the main place for communication. For one-on-one discussion, check Quercus for my office hours. Before each term test and the final exam, TAs will also hold in-person Office Hours.

**Online:**

- Use **Piazza** for course content questions. You can register via Quercus (left tool bar). The emphasis is on student-to-student Q&A. However, the TAs will work to ensure proper usage, flag some postings, and answer selected content questions.
- Use the **course email** ([eco231h1f.eco232h1s.a@course.utoronto.ca](mailto:eco231h1f.eco232h1s.a@course.utoronto.ca)) for administrative matters (e.g., accommodations, grades, test issues, missed work). Emails about content will be redirected to Piazza or OHs.

**Important:** I do **not** respond to emails sent to my personal university email address or to messages directed at me on Piazza. Please use class meetings and office hours to speak with me directly. Please see the schedule posted on Quercus for exact times, dates and locations.

## 9. Academic Integrity

Academic Integrity is central to a UofT education. We take academic integrity very seriously, and so should you. Please do not put yourself, your classmates, the TAs and me in a terrible situation by engaging in academic integrity violations. Even if you are suffering stress, under extreme pressure, far behind, facing failure, and/or lacking self-confidence, cheating is not worth it. Dealing with infractions is incredibly stressful for everybody involved and can take many, many months to resolve, which may affect your ability to take courses next year, so please take the utmost care to avoid academic integrity violations.

## 9.1 Use of Generative AI for Assignments (ChatGPT)

You are not allowed to use any outside aids, including generative AI, during the in-person assignments (midterms, final exam, or writing assignment part 2). You are welcome to use generative AI as a learning aid when studying or completing the group problem sets. Please be aware of the limitations of this technology in general, such as hallucinations and inaccurate information, and for our course specifically. Regrade requests which use answers from ChatGPT, for example, will not be successful.

For Writing Assignment Part 1, **selective** use of Generative AI tools is **permitted**, though not encouraged. In particular, generative AI tools will be permitted for:

1. Creating an outline for a written assignment to provide inspiration and suggest structure;
2. Gathering information from across sources and assimilating it for understanding.

Any content produced by an artificial intelligence tool must be cited appropriately. Many organizations that publish standard citation formats are now providing information on citing generative AI (e.g., MLA: <https://style.mla.org/citing-generative-ai/>). The submitted version of the Take-Home Writing Assignment must be original work produced by the individual student. Representing as one's own an idea, or expression of an idea, that was AI-generated may be considered an academic offense.

## 10. Topics Outline

Below is the tentative topics outline for the course. The actual pace and content may differ.

Topics	Chapter(s)	Week(s)	Description
Introduction	1, 2, 3	1	Principle of Comparative Advantage & Ricardian Model Setup
Classic Trade Theory	3, 6	2	Trade in Ricardian model: Comparative Advantage due to Productivity Differences
	4, 6	3,4	Multiple Factors of Production, The Specific Factors Model and Distributional Consequences of Trade
	5, 6	5	Comparative Advantage due to Endowment Differences: the Heckscher-Ohlin Model
Introduction to Modern Trade Theory	8, Lecture Notes	8	Trade and Economies of Scale
		9	Modern Theories of Trade: Intra-industry Trade & Multinational Production
Trade Policy	9	6,7	Instruments of Trade Policy
	9	6,7	Costs and Benefits of Trade Restrictions
	7	8	Trade under External Economies of Scale
	10-12, Lecture Notes	10	Trade Agreements
		11	Developing Countries and Trade: Issues of Economic Growth and Wellbeing
	12, Lecture Notes	12	Challenges to International Trade