Course Syllabus
International Agr. Trade & Special Topics (FREC 810)

Instructor
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Fall 2011
University of Delaware
Food and Resource Economics
Location: TNS 002
Time: MWF 10:10 - 11:00 AM

Course Website:
http://www.udel.edu/FREC/awokuse/web/FREC810_webpage.htm

Office Hours:
Wednesdays & Fridays 2:30 - 4:00 PM (and by appointment)

Course Description

This course introduces students to the global economy and emphasizes the significance and implications of government policies for trade and foreign direct investment. Specifically, students will learn about various trade and investment theories and develop an intuitive understanding of the theoretical foundations of the economics of international agricultural trade. Furthermore, the course would familiarize students with current issues and empirical methods used in the analysis of trade policies. Weekly course meeting time will be divided between traditional lectures and use of Problem-based Learning (PBL) techniques. This will involve group-based activities such as problem solving, discussions, and in-class presentations. Each student is encouraged to come to class prepared to discuss previously assigned readings, problems and issues.

Objectives:

• To develop an intuitive understanding of the theoretical foundations of the economics of trade.
• To introduce students to the role of government and institutions in setting agricultural trade policy.
• To familiarize students with current research issues and empirical modeling approaches in international trade and investment.

Course Prerequisites:

• Intermediate microeconomics and/or macroeconomics.
• Familiarity with differential calculus.
• Please inform me if you do not have a background in microeconomics.

Textbook:
My lectures will not be limited to a particular book. However, many lectures during the first part of the course will be based on Feenstra (2003) and other recommended textbooks. Also, published journal articles from agricultural economics and economics literature will be assigned in class at appropriate times.

Recommended (supplementary) references are:

• Assigned journal articles on various topics.
Grading Procedures and Organizational Policies

Class Attendance:
Attendance will not be taken but students are expected to attend all class sessions. If you have to miss a class, you are still responsible for course material covered during the missed class period. It is the student's responsibility to keep up with changes in the course syllabus announced by the instructor.

Reading Assignments and Discussion Sessions: Reading assignments are listed in the course outline. The expectation is that students will make every effort to complete the assigned readings prior to the class session for which they are assigned. Students who feel that they need additional background in microeconomics and/or trade theory may wish to do some supplementary readings. See the instructor for suggested sources. Students’ active participation through questions and comments during class sessions is highly encouraged.

Homework Assignments: There will be problem sets and research assignments to be completed and turned in on the specified dates. Written assignments will be due at the beginning of class on the specified dates. Late assignments will be penalized a letter grade unless a valid written excuse is provided.

Exams: THREE tests will be administered during the term. The exams may include essay questions and problems. No make-up exams will be scheduled except under serious extenuating circumstances and only with the instructor’s prior approval.

Academic Dishonesty Policy: Students are encouraged to work together in solving homework assignments. However, copying from another student’s answers is not permitted. Each student is responsible for reading and abiding by the rules as outlined in the University of Delaware student handbook: http://www.udel.edu/stuguide/11-12/code.html

Tests and Grading Procedures: The grade for this course will be based on three exams and several assignments, and in-class presentations. These will receive the following weights in the overall grade. The grading scale is:

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<th>Grade</th>
<th>Points</th>
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<tr>
<td>A</td>
<td>93-100</td>
<td>60</td>
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<tr>
<td>A-</td>
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<td>B+</td>
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<tr>
<th>Assignments/Tests</th>
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<tbody>
<tr>
<td>Three Tests/Exams</td>
<td>300</td>
<td>60</td>
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<tr>
<td>HW Assignments (Articles review, Problems Sets, etc.)</td>
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<tr>
<td>In-Class Presentations / Discussions</td>
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<td>Term Project/Paper</td>
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<td>10</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>100</strong></td>
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Exam Dates (subject to change):

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topics Coverage</th>
<th>Reading Assignments &amp; Due Dates</th>
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<tbody>
<tr>
<td>1</td>
<td>8/29</td>
<td>Overview of Agricultural Trade Issues</td>
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| 2    | 9/5  | **Theory of International Trade**  
Ricardian Model of Comparative Advantage  
*No Class Mon. 9/5 – Labor Day* | **READ:** AFC, Chapt. 2 and 3  
**FEENSTRA,** Chapt. 1 |
| 3    | 9/12 | **Theory of International Trade**  
Heckscher-Ohlin Model of Factor Proportions | **READ:** AFC, Chapt. 5 –6  
**FEENSTRA,** Chapt. 2 and 3  
**HW #1 Due** |
| 4    | 9/19 | **Theory of International Trade**  
Heckscher-Ohlin Model of Factor Proportions  
*“New” Trade Theory: Imperfect Competition* | **READ:** AFC, Chapt. 7 – 8  
**FEENSTRA,** Chapt. 2 and 3  
**HW #2 Due** |
| 5    | 9/26 | **Theory of International Trade**  
*“New” Trade Theory: Imperfect Competition* | **READ:** AFC, Chapt. 10  
**FEENSTRA,** Chapt. 9 |
| 6    | 10/3 | **Protectionism and Trade Treaties**  
Trade Policy I: Tariffs  
*1st EXAM* | **READ:** AFC, Chapt. 13 & 14  
**FEENSTRA,** Chapt. 7  
*1st EXAM* |
| 7    | 10/10| **Protectionism and Trade Treaties**  
Trade Policy II: Non-Tariff restrictions | **READ:** AFC, Chapt. 15 & 16  
**FEENSTRA,** Chapt. 7 and 8 |
| 8    | 10/17| **Protectionism and Trade Treaties**  
Trade Policy III: Subsidies  
Multilateral Trade Negotiations (WTO) | **READ:** AFC, Chapt. 17  
**FEENSTRA,** Chapt. 6 and 8  
**HW #3 Due** |
| 9    | 10/24| **Empirical Research Issues in Trade**  
Gravity Models and Applications  
Trade Openness and Growth | **READ:** **FEENSTRA,** Chapt. 5  
*Assigned Journal Articles* |
| 10   | 10/31| **Empirical Research Issues in Trade**  
Models of Foreign Direct Investment (FDI)  
*2nd EXAM* | **2nd EXAM** |
| 11   | 11/7 | **Empirical Research Issues in Trade**  
Models of Foreign Direct Investment (FDI) | **READ:** **FEENSTRA,** Chapt. 13 |
| 12   | 11/14| **Empirical Research Issues in Trade**  
Exchange Rate Volatility Effects on Trade  
**Macroeconomics and Ag Trade:** Monetary Policy Effects | **READ:**  
*Assigned Journal Articles*  
**HW #4 Due** |
| 13   | 11/21| **Macroeconomics and Ag Trade:** BOP and Adjustment Policies | **THANKSGIVING BREAK** |
| 14   | 11/28| **Macroeconomics and Ag Trade:** BOP and Adjustment Policies  
*In-class Paper Project Presentations* | **Term Paper Due** |
| 15   | 12/5 | **In-class Paper Project Presentations**  
*3rd EXAM* | **3rd EXAM** |