International Trade Theory  
Professor Raymond MacDermott

Contact Information:
Phone: 309.298.1413  
Email: rj-macdermott@wiu.edu  
Office: Stipes 442E  
Office hours: Tues & Thurs 12:45 – 1:45, Wed 10 – 12 and by appointment.  
Class webpage: www.wiu.edu/users/rjm122/570-s06.htm  
Econ dept phone: 309.298.1153  
Econ dept. fax: 309.298.1020

Class Information:
Prerequisite: Econ 232  
Course Description: A study of the theoretical and institutional aspects of international trade; effect of trade and factor movements on economic welfare; balance of payments; problems of international disequilibrium; process of balance of payments adjustments; barriers to trade; and the search for economic stability and growth through international cooperation.

In accordance with University policy and the Americans with Disabilities Act (ADA), academic accommodations may be made for any student who notifies the instructor of the need for an accommodation. It is imperative that you take the initiative to bring such needs to the instructor’s attention, as he/she is not legally permitted to inquire about such particular needs of students. Students who may require special assistance in emergency evacuation (i.e. fire, tornado, etc.) should contact the instructor as to the most appropriate procedures to follow in such an emergency. Contact Disability Support Services at 298-2512 for additional services.

Tentative Overview / Relevant Reading:
Introduction  
Ricardian Model  
Hecksher – Ohlin Model  
Tests of the Trade Models  
Tariffs  
Non-tariff Barriers  
Preferential Trade Agreements  
Trade and Growth  
International Finance  
Balance of Payments Accounts  
Additional Topics  
Chapter 1  
Chapter 3  
Chapter 4  
Chapter 5  
Chapter 6  
Chapter 7  
Chapter 9  
Chapter 10  
Chapter 11, 13  
Chapter 12, 17  
TBA
**Literature write-up:** It will be your responsibility to write a 2 page summary of a journal article that relates to our class lectures. You should search either JSTOR or EconLit. Both are available through the University Library system. We will have (approximately) 5 of these throughout the semester. Each will be graded on a 5 point scale. Your highest 4 scores will be counted in your final grade. More to come on this.

**Literature present:** Throughout the semester, each of you will present two journal articles to the class. It is expected that you will use one of your literature write-ups but you may use another paper if you wish. The dates of these are completely up to you. However, I will require each of you to present at least once before the midterm. More to come on this.

**Term paper:** This is simply a thesis proposal. This should include a well-posed question and thorough literature review as well as a discussion of the solution method. This is tentatively due Thursday, April 27th. More to come on this.

**Research present:** During the last week of class, you will present your research to the class. This is an opportunity to get feedback on your proposal, should you decide to follow through.

**Final grade:**

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm</td>
<td>20</td>
</tr>
<tr>
<td>Final</td>
<td>20</td>
</tr>
<tr>
<td>Term Paper</td>
<td>20</td>
</tr>
<tr>
<td>Literature Write ups</td>
<td>20</td>
</tr>
<tr>
<td>Literature Presentations</td>
<td>10</td>
</tr>
<tr>
<td>Research Presentation</td>
<td>10</td>
</tr>
</tbody>
</table>

Final grades will be determined by summing all points earned in the class and applying a “standard” distribution (90’s – A, 80’s – B, etc.).

**Attendance:** Class attendance is not required but you are responsible for all material presented in class, including announcements.

**Missed assignments:** In certain exceptional cases, you may be excused from taking an exam at the scheduled time. To be excused you must:

1. Notify me of your inability to attend PRIOR to the scheduled time of the exam.
2. Furnish evidence of calamity.

If both of these conditions are met, an alternate exam time will be arranged. In the absence of sufficient evidence, a score of ZERO will be recorded.

**Your rights:** It is up to you to know your rights and responsibilities. These have been defined by the Faculty Senate and can be found, courtesy of the Provost, online at [http://www.wiu.edu/provost/student/](http://www.wiu.edu/provost/student/).