AED Econ/Intl Studies 4540 International Commerce and the World Economy
Spring 2013

Profs. S. R. Thompson and I.M. Sheldon
Lecture: MWF 1:50-2:40pm
Department of Agricultural, Environmental, and Development Economics
Location: Rm 0014, Psychology Bldg.

Course Objectives:
This course involves the application of trade theory and policies to world trade that impacts global business. The primary objective is for you to understand how international trade theory and policy can aid business and trade policy decisions. The historical and future importance of international trade to the world economy will be examined. You will apply concepts of international trade theory to assess the efficiency and distributional consequences of trade policy reform. Particular attention will be given to the impact of trade policies in industrialized countries to the economies of developing countries. A focus will be on the various instruments of protection and the effects of policy liberalization. While economics has traditionally focused on countries as the relevant concept for international trade, this class will also focus on firms as a key agent in global markets, examining the reasons why some choose to export while others invest in foreign markets, how and why firms influence trade policy, and how trade policies such as multilateral and regional trade agreements affect firms. In addition, the course will examine how key global macroeconomic factors such as exchange rates impact international commerce.

Instructor Information:

Professor Thompson
Office Location: Ag. Admin. Bldg., Room 335
Office Phone: 292-6225
Email: thompson.51@osu.edu
Mailbox: Ag. Admin. Bldg. Room 320A
Office Hours: TR 2:00-3:00 p.m.

Professor Sheldon
Office Location: Ag. Admin. Bldg., Room 221
Office Phone: 292-2194
Email: sheldon.1@osu.edu
Web-page: http://aede.osu.edu/programs-and-research/andersons-program/teaching
Mailbox: Ag. Admin. Bldg. Room 103
Office Hours: TR 10:00-11:00 a.m.

Teaching Assistant:
Ms. Rosemary Isoto
Office Location: Ag. Admin. Bldg. Room 312
Email: isoto.1@osu.edu
Office Hours: By appointment (contact by email).
Course Information:

Credit Hours: 3

Prerequisites: AED Econ 2001 (200) or 2001H (200H) or Econ 2001 (200) or 2001H (200H), or permission of instructor. Not open to students with AED Econ 540 or IS 540.

Required Text: None.

Grading and Course Evaluation:

Grading: Your course grade will be determined as follows:
Exam I (Friday, Feb. 22) 35%
Exam II (Friday, Apr. 26) 35%
Homework and other assignments 15%
Article Summaries (Due date – April 19) 10%
Quizzes 5%

Final Grade:
A 95.0 – 100 C+ 76.7 – 79.9
A- 90.0 – 94.9 C 73.3 – 76.6
B+ 86.7 – 89.9 C- 70.0 – 73.2
B 83.3 – 86.6 D+ 66.7 – 69.9
B- 80.0 – 83.2 D 60.0 – 66.6

Homework: Several problem sets will be assigned during the semester. For the most part, these assignments will be due one week after the homework is assigned. No late assignments will be accepted after 5 p.m. of date due.

Article Summaries: A summary of three articles from The Economist is required for the course. You can choose the three from six articles specified by the instructor and placed on Carmen. Each summary should be typed in 12 point font, double-spaced and no longer than 1 page. No late summaries will be accepted after 5.00 pm of the due date.

Final exam: If you plan to graduate this quarter, please alert us of your intentions.

The examinations will consist of both short-answer questions and objective (multiple-choice, true/false, definitions) questions. There are no make-up examinations without proper documentation of a university-accepted excuse.
Academic Misconduct: It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct: (http://studentaffairs.osu.edu/info_for_students/csc.asp).

Student Disabilities: Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; http://www.ods.ohio-state.edu/.
# Tentative Course Outline and Schedule:

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<tr>
<th>Week</th>
<th>Topic</th>
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<tr>
<td>1.</td>
<td>International Trade in a Global Economy</td>
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<td>2.</td>
<td>Gains from Trade</td>
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<td>3.</td>
<td>Trade Policies of Importing Countries</td>
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<td>4.</td>
<td>Trade Policies of Importing Countries (contd.)</td>
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<tr>
<td>5.</td>
<td>Trade Policies of Exporting Countries</td>
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<td>6.</td>
<td>Trade Policies of Exporting Countries (contd.)</td>
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<td>7.</td>
<td>Protection, Price Distortions and Developing Countries</td>
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<td>Exam I (Friday February 22 in class)</td>
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<td>8.</td>
<td>Food Prices and Trade Policy</td>
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<td>9.</td>
<td>How does the WTO work?</td>
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<td>10.</td>
<td>Multilateralism vs. Regionalism</td>
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<td>11.</td>
<td>Why do Firms Trade?</td>
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<td>12.</td>
<td>Outsourcing</td>
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<td>13.</td>
<td>Economics of the Euro</td>
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<td>14.</td>
<td>China’s Exchange Rate</td>
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<td>Exam II (Friday April 26, 4.00-5.45 pm)</td>
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