ITRN 504, Section 002
Microeconomics and Trade Policy

DRAFT SYLLABUS – 01/06/2019

Spring 2019, Tuesday, 7:20-10:00 PM
Room: Founders Hall XXX

Instructor: Carl Pasurka
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E-mail: CPASURKA@GMU.EDU
Office: Founders Hall, Room 656
Office hours: Tuesday 6:00-7:00 and by appointment (phone, e-mail)

Course Description

This course consists of two parts – an introduction to microeconomics (i.e., Principles of Microeconomics) and international trade. It provides a foundation in microeconomics, including supply and demand analysis, elasticities, the theory of the firm, allocative efficiency and market failure. The course covers applications of this microeconomic foundation to international trade theory, trade policy analysis, preferential trade agreements, and international production. Emphasis is on graphical and algebraic analysis.

The microeconomics portion of this course investigates four topics. First, markets (i.e., supply and demand) are a means of allocating resources. Second, we investigate neo-classical theory of producer behavior and consumer behavior. Third, we will study models of firm and market behavior under perfect competition and oligopoly. Finally, we will investigate the role of government for cases of “market failure.” The second part of the course – international trade - serves two functions. First, it provides an understanding of the justification for trade among nations, an analysis of trade policies, and an overview of the institutions associated with international trade. Second, it represents an application – and review - of the microeconomic theory developed in the first portion of the course.

Learning Outcomes:

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<th>Course</th>
<th>Knowledge and Understanding</th>
<th>Analytic Skills and Abilities</th>
<th>Professional Development</th>
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<td>ITRN 504: Microeconomics and Trade</td>
<td>Students will understand the basic concepts and terms of microeconomics as they apply to policy analysis.</td>
<td>Students will be able to use the supply and demand model for policy analysis, including trade policy</td>
<td>Students will be conversant with the basic terms of economic trade policy analysis as used in the</td>
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Students will understand the causes of international trade and the political economy of trade.

analysis, and to calculate elasticities.

profession.

Required Books


Course Requirements and Grading

Mid-term Exam – 30 percent  
Final exam - 40 percent  
Problem Sets- 30 percent (all problem sets have equal weights subject to the following conditions)

1. All problem sets are assigned EQUAL WEIGHTS  
2. The TWO lowest scores will be discarded

*Grading Scale:*

A 92-100  
A- 85-91  
B+ 80-84  
B 75-79  
B- 70-74  
C 60-69  
F 0-59

Course Outline and Readings

1. *PRINCIPLES OF MICROECONOMICS*

*Week 1 (January 22)*

Mankiw, Chapter 1, “Ten Principles of Economics”

Mankiw, Chapter 2, “Thinking Like an Economist” including Appendix

Aplia graded problem set:
“Introductory to Using Aplia Problem Sets,” deadline - 11:00 PM, January 27 (Sunday)

*Week 2 (January 29)*

Mankiw, Chapter 4, "The Market Forces of Supply and Demand"

Mankiw, Chapter 5, “Elasticity and Its Application”

Aplia graded problem sets:

“Chapter 2 - Problem Set,” deadline - 11:00 PM, February 03 (Sunday)

*Week 3 (February 05)*

Mankiw, Chapter 6, “Supply, Demand, and Government Policies”

Mankiw, Chapter 7, “Consumers, Producers, and the Efficiency of Markets”

Aplia graded problem set:

“Math and Graphing Assessment with Tutorials,” deadline - 11:00 PM, February 10 (Sunday)

“Chapter 4 - Problem Set,” deadline - 11:00 PM, February 10 (Sunday)

*Week 4 (February 12)*

Mankiw, Chapter 8, “Application: The Costs of Taxation”

Aplia graded problem set:

“Chapter 5 - Problem Set,” deadline - 11:00 PM, February 17 (Sunday)

*Week 5 (February 19)*

Mankiw, Chapter 10, "Externalities"

Mankiw, Chapter 11, "Public Goods and Common Resources"

Aplia graded problem sets:

“Chapter 6 - Problem Set,” deadline - 11:00 PM, February 24 (Sunday)

“Chapter 7 - Problem Set,” deadline - 11:00 PM, February 24 (Sunday)
Week 6 (February 26)

Mankiw, Chapter 13, “The Costs of Production”

Aplia graded problem sets:

“Chapter 8 - Problem Set,” deadline - 11:00 PM, March 03 (Sunday)

“Chapter 10 - Problem Set,” deadline - 11:00 PM, March 03 (Sunday)

Week 7 (March 05)

Mankiw, Chapter 14, “Firms in Competitive Markets”

Aplia graded problem sets:

“Chapter 11 - Problem Set,” deadline- 11:00 PM, March 10 (Sunday)

“Chapter 13 - Problem Set,” deadline- 11:00 PM, March 10 (Sunday)

Week 8 (March 12)

SPRING RECESS (NO CLASS)

Aplia graded problem sets:

“Chapter 14 - Problem Set,” deadline- 11:00 PM, March 15 (Friday)

Week 9 (March 19)

MID-TERM EXAM (NOTE: some new material will be covered in class after the exam)

Mankiw, Chapter 17, “Oligopoly”

Week 10 (March 26)

II. INTERNATIONAL TRADE

Mankiw, Chapter 18, “The Markets for the Factors of Production”

Reinert, Chapter 12, “Migration”

Supplemental reading:


**Week 11 (April 02)**

Reinert, Chapter 1, "Windows on the World Economy"

Reinert, Chapter 2, “Absolute Advantage”

Mankiw, Chapter 9, “Application: International Trade” (pp. 177-184)

Reinert, Chapter 3, “Comparative Advantage”

Mankiw, Chapter 3, “Interdependence and the Gains from Trade”

Aplia graded problem sets:

“Chapter 17 - Problem Set,” deadline- 11:00 PM, April 07 (Sunday)

**Week 12 (April 09)**

Reinert, Chapter 4, “Intra-Industry Trade”

Reinert, Chapter 5, “The Politics of Trade”

Aplia graded problem sets:

“Chapter 18 - Problem Set,” deadline- 11:00 PM, April 14 (Sunday)

**Week 13 (April 16)**

Reinert, Chapter 6, “Trade Policy Analysis”

Mankiw, Chapter 9, “Application: International Trade” (pp. 184-195)

Aplia graded problem sets:

“Chapter 3 - Problem Set,” deadline- 11:00 PM, April 21 (Sunday)

**Week 14 (April 23)**

Reinert, Chapter 7, “The World Trade Organization”
Reinert, Chapter 8, “Regional Trade Agreements”

Supplemental reading:

Aplia graded problem sets:

“Chapter 9 - Problem Set,” deadline- 11:00 PM, April 28 (Sunday)

Week 15 (April 30)

Reinert, Chapter 9, “Foreign Market Entry and International Production”

Reinert, Chapter 10, “Foreign Direct Investment and Intra-Firm Trade”

Supplemental reading:


**Week 16 (May 07)**

**READING DAY**

**Week 17 (May 14)**

**CUMULATIVE FINAL EXAM**

**APLIA**

**DO NOT PURCHASE A TEXTBOOK AT THE BOOKSTORE UNTIL YOU READ THIS**

Your access to the Mankiw textbook, along with problem sets, will be via Aplia.

You will be using Aplia for this course. Aplia is an online product that contains both a digital version of the textbook and online homework. The Aplia site requires a separate registration process. Here are the steps:

**How to access your Aplia course**

ITRN 504 - 002 - Spring 2019

**Instructor:** Carl Pasurka

**Start Date:** 01/21/2019

**What is Aplia?**

In the last 15 years, more than two billion answers have been submitted through Aplia, the premier online assignment solution. Millions of students use Aplia to better prepare for class and for their exams. Join them today!

**Registration**

1. Connect to [https://www.cengage.com/dashboard/#/course-confirmation/YLBC-G9S3-H642/initial-course-confirmation](https://www.cengage.com/dashboard/#/course-confirmation/YLBC-G9S3-H642/initial-course-confirmation).
2. Follow the prompts to register for your Aplia course.

**System Check**

To check whether your computer meets the requirements for using Aplia, go to [https://www.aplia.com/support/sysreq.jsp](https://www.aplia.com/support/sysreq.jsp).

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**Disclaimer:** I receive no monetary benefit from requiring Aplia assignments.

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Some Policies for ITRN 504-002

Exams are not "open book" or "open notes."

There is no "extra work" that can be done for "extra credit."

Students are responsible for obtaining notes from other class members if they miss a class.

The GMU honor code will be enforced. To be more specific: If I can show that a student cheated on an exam, that student will fail the course.

Statement on special needs of students (aka: reasonable standard accommodation language), as follows:
If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 993-2474. All academic accommodations must be arranged through the DRC.

Online Student Journal
New Voices in Public Policy: I will consider nominating the very best papers in this course for publication in New Voices in Public Policy. New Voices is a student- and faculty-reviewed journal that shares SPP's finest student work with the rest of the world.

SPP Policy on Plagiarism

The profession of scholarship and the intellectual life of a university as well as the field of public policy inquiry depend fundamentally on a foundation of trust. Thus any act of plagiarism strikes at the heart of the meaning of the university and the purpose of the School of Public Policy. It constitutes a serious breach of professional ethics and it is unacceptable.

Plagiarism is the use of another’s words or ideas presented as one’s own. It includes, among other things, the use of specific words, ideas, or frameworks that are the product of another’s work. Honesty and thoroughness in citing sources is essential to professional accountability and personal responsibility. Appropriate citation is necessary so that arguments, evidence, and claims can be critically examined.

Plagiarism is wrong because of the injustice it does to the person whose ideas are stolen. But it is also wrong because it constitutes lying to one’s professional colleagues. From a prudential perspective, it is shortsighted and self-defeating, and it can ruin a professional career.

The faculty of the School of Public Policy takes plagiarism seriously and has adopted a zero tolerance policy. Any plagiarized assignment will receive an automatic grade of “F.” This may lead to failure for the course, resulting in dismissal from the University.
This dismissal will be noted on the student’s transcript. For foreign students who are on a university-sponsored visa (e.g. F-1, J-1 or J-2), dismissal also results in the revocation of their visa.

To help enforce the SPP policy on plagiarism, all written work submitted in partial fulfillment of course or degree requirements must be available in electronic form so that it can be compared with electronic databases, as well as submitted to commercial services to which the School subscribes. Faculty may at any time submit student’s work without prior permission from the student. Individual instructors may require that written work be submitted in electronic as well as printed form. The SPP policy on plagiarism is supplementary to the George Mason University Honor Code; it is not intended to replace it or substitute for it. (http://www.gmu.edu/facstaff/handbook/aD.html)