

# USC Marshall

School of Business

## FBE 462 – International Trade, Finance, and Commercial Policy Course Syllabus Fall 2024

**Lectures:** TuTh 10:00-11:50am  
**Instructor:** M. Safarzadeh  
**Class number:** 15374 R– 4 units  
**Classroom:** JFF 328  
**Office Hours:** TuTh 4:00pm - 5:00pm, and by appointment.  
**Office:** HOH 228  
**Phone:** 213-821-4185  
**E-mail:** safar zad@marshall.usc.edu  
**Online communication regarding this course will be via Brightspace.**

### Course Description

International trade has played a very important role in the growth of global economy. It has enabled the countries to grow economically, adopt new technologies, and improve the overall economic welfare of their citizens. Although the motives behind economic activities of individuals and firms in the context of domestic and international transactions are the same, international trade introduces some new and different set of concerns. Even though trade between two countries benefits trading partners, it does not benefit all in each country. This has made the field subject of continuous economic and political debates. Economists, politicians, businesses, and labor unions hold strong and opposing views on several issues related to international trade. This course uses the same fundamental methods of analysis employed in other branches of economics to provide you with an analytical framework for the study of international trade and international finance. We will study why countries trade with each other, what are the gains from trade, debate on globalization, free trade agreements, the U.S. current account deficit, determinants of exchange rates, European integration, and the debate on global trade and financial institutions.

### Learning Objectives

By the end of the course you should be able to:

- (1) assess which proposed trade policies are likely to harm or help your business.
- (2) assess which proposed trade policies are likely to harm the country's economy, and why such policies might have been proposed.
- (3) evaluate the effect that domestic and foreign tariffs have on the competitiveness of your business.
- (4) assess which policies here and abroad constitute non-tariff trade barriers.
- (5) predict the effect that world trade organizations (like the WTO and EXIM banks) have on the competitiveness of your business.
- (6) assess the effect that various regional or bilateral trade agreements have on the competitiveness of your business.
- (7) describe how the foreign exchange market functions, and the risks and pitfalls involved.
- (8) explain what macroeconomics can tell us about trade deficits and international borrowing.
- (9) predict what can happen with alternative foreign exchange policies, and how these policies can affect your business.

### Course Materials

Economics at this level uses numbers, graphs, and equations to communicate economic theories and concepts. Although I will minimize the use of mathematics in teaching this course, there is no way to avoid the use of numbers, graphs, and mathematical relations in the teaching process. Therefore, I will assume that students are familiar with line graphs (time-series plot), bar graphs, descriptive statistics, data transformation, and mathematics of average change and marginal change. The textbook for this course is *International Economics*, 18<sup>th</sup> edition by Thomas A. Pugel, McGraw Hill Education, 2024, ISBN: 978-126-4436798. This textbook is to serve as the point of departure for lectures and some assignments and tests. In addition, all the lecture notes will be posted as PowerPoint

files in Brightspace. You are also required to follow the current international trade and finance news in the media and see how they relate to the economic theories covered in the class. The two sources that I would recommend for finding up-to-date economic news with a fairly accurate economic analysis are *Wall Street Journal* and *The Economist*. From time to time, class will be conducted in a discussion format. Students are required to participate in the discussions. Regardless of which format is employed, questions and comments are encouraged.

<b>Course Grading</b>	<b>Points</b>	<b>% of Grade</b>
Class participation and contribution	50	10%
Four Quizzes (each 2.5%)	50	10%
Class presentation and report	75	15%
Midterms (each 20%)	200	40%
Final Exam	125	25%
TOTAL	500	100%

Course final grades will be determined using the following scale:

Letter grade	Numerical point range
A	95-100
A-	90-94
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D+	67-69
D	63-66
D-	60-62
F	59 and below

Final grades represent how you perform in the class relative to other students. The average grade for this class is expected to average about 3.5. Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

### **Class Participation and Contribution**

Per USC grading policy, no portion of the grade may be awarded for class attendance, but non-attendance can be the basis for lowering a grade. To familiarize myself with your names, each class meeting, I will call the names of a few students randomly. Students who receive two “no shows” during the random calls may lose 5% credit, unless they provide a legitimate excuse for missing the classes that can be documented and verified. Students can earn 10% credit for class participation and contribution by actively participating in class discussions, problem solving, discussing on-going current economic issues and else. Volunteering to solve an assignment in the class, providing the class with a reference to an interesting article or economic debate, or discussing the relevance of a certain economic subject studied in the class to their own work experience are examples of active class participation.

### **Quizzes**

There will four quizzes during the semester. Each quiz will be worth 2.5% of the course grade. Quizzes are given to familiarize you with the type of questions that you will have in the test. Some of the quizzes maybe conducted as collaborative group work of some international trade or exchange rate problems in the class. If you miss a quiz on account of a proven medical emergency, a make-up should be requested and the quiz should be taken in no more than a week after the quiz otherwise a grade of zero will be assigned to the missing quiz.

### **Course Project and Report**

You are required to join with others in a group of four students, select one of the international trade or finance topics listed below or a topic of your own interest, do research on the topic and present your research in the class. The presentation should be no longer than ten minutes followed with a five-minute discussion led by the group. The presentation is worth 15% and will be graded based on your knowledge of the subject matter, use of the economic concepts and tools in critically analyzing the subject, suggesting alternatives approaches, and the group's preparation and performance. You should submit one-page abstract containing the names of the group members, the topic of interest, and the date of the presentation no later than the third week of the semester. Once the presentation is done, students should submit a typed summary of the research with analysis and critics. Some of the suggested topics are: Trade and economic growth, historical review of trade deficit in US, trade deficit with European countries, Japan, China, and Korea, trade embargoes and their effectiveness, Euro crisis, International trade and domestic jobs, US trade partners a historical review, trade barriers and their effect on the economy, the international value of dollar, politics of trade and tariffs, trade unions, world trade organizations, value of dollar and its effect on trade, government interventions in exchange market, COVID-19 and its effect on US economy and trade.

### **Midterm Exam**

There will be two tests during the semester. Each midterm will be worth 20% of the course grade. Once a midterm exam is conducted no makeup exam will be given. If you miss the midterm for any reason other than medical emergency, a score of zero will be assigned to the midterm. If you miss a midterm on account of a proven medical emergency, a make-up test should be requested and the test should be taken in no more than a week after the Midterm.

### **Final Exam**

The final exam will be comprehensive but will emphasize the material covered after the second test. The final will be worth 25% of the course grade and will have a combination of multiple-choice and short essay / problem questions. If you miss the final exam for a medical emergency reason that can be documented and verified, there will be a makeup final to be arranged as soon as possible. Otherwise, a grade of zero will be assigned to the final exam. All the tests in this course are closed notes, closed book, open mind.

### **Open Expression and Respect for All**

An important goal of the educational experience at USC Marshall is to be exposed to and discuss diverse, thought-provoking, and sometimes controversial ideas that challenge one's beliefs. In this course we will support the values articulated in the USC Marshall "Open Expression Statement."

### **Academic Conduct and Support Systems**

#### **Academic Integrity:**

The University of Southern California is a learning community committed to developing successful scholars and researchers dedicated to the pursuit of knowledge and the dissemination of ideas. Academic misconduct, which includes any act of dishonesty in the production or submission of academic work, compromises the integrity of the person who commits the act and can impugn the perceived integrity of the entire university community. It stands in opposition to the university's mission to research, educate, and contribute productively to our community and the world.

All students are expected to submit assignments that represent their own original work, and that have been prepared specifically for the course or section for which they have been submitted. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s).

Other violations of academic integrity include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), collusion, knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university. All incidences of academic misconduct will be reported to the Office of Academic Integrity and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see [the student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

### **Students and Disability Accommodations:**

USC welcomes students with disabilities into all of the University's educational programs. [The Office of Student Accessibility Services](#) (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at [osas.usc.edu](https://osas.usc.edu). You may contact OSAS at (213) 740-0776 or via email at [osasfrontdesk@usc.edu](mailto:osasfrontdesk@usc.edu).

### **Support Systems:**

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-5086 or (213) 821-8298

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

[USC Campus Support and Intervention](#) - (213) 740-0411

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

[Diversity, Equity and Inclusion](#) - (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

[USC Emergency](#) - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

[USC Department of Public Safety](#) - UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call

Non-emergency assistance or information.

[Office of the Ombuds](#) - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

[Occupational Therapy Faculty Practice](#) - (323) 442-2850 or [otfp@med.usc.edu](mailto:otfp@med.usc.edu)

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

### **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the USC Emergency Information web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Brightspace learning management system ([brightspace.usc.edu](http://brightspace.usc.edu)), teleconferencing, and other technologies.

### **International Student Language Support**

The USC American Language Institute provides English language instruction, assessment, and resources to support the academic and professional success of non-native speakers of English pursuing degrees at USC.

[dornsife.usc.edu/ali](http://dornsife.usc.edu/ali)

### **Incomplete Grades**

A mark of IN (incomplete) may be assigned when work is not completed because of a documented illness or other “emergency” that occurs after the 12<sup>th</sup> week of the semester (or the twelfth week equivalent for any course that is scheduled for less than 15 weeks).

An “emergency” is defined as a serious documented illness, or an unforeseen situation that is beyond the student’s control, that prevents a student from completing the semester. Prior to the 12<sup>th</sup> week, the student still has the option of dropping the class. Arrangements for completing an IN must be initiated by the student and agreed to by the instructor prior to the final examination. If an Incomplete is assigned as the student’s grade, the instructor is required to fill out an “Assignment of an Incomplete (IN) and Requirements for Completion” form (<http://www.usc.edu/dept/ARR/grades/index.html>) which specifies to the student and to the department the work remaining to be done, the procedures for its completion, the grade in the course to date, and the weight to be assigned to work remaining to be done when the final grade is computed. Both the instructor and student must sign the form with a copy of the form filed in the department. Class work to complete the course must be completed within one calendar year from the date the IN was assigned. The IN mark will be converted to an F grade should the course not be completed.

### **Policy on the use of AI-generated material**

Since creating, analytical, and critical thinking skills are part of the learning outcomes of this course, all assignments should be prepared by the student working individually or in groups. Students may not have another person or entity complete any substantive portion of the assignment. Developing strong competencies in these areas will prepare you for a competitive workplace. Therefore, using AI-generated tools is prohibited in this course, will be identified as plagiarism, and will be reported to the Office of Academic Integrity.

## Getting Help

If you have questions concerning the lecture material or having problem understanding a concept or probably having time for some intellectual chat on an economic issue, please feel free to stop by my office. If my office hours are not convenient for you, please email me and make an appointment, [safarzad@marshall.usc.edu](mailto:safarzad@marshall.usc.edu).

## Course Outline

The following course outline will be followed in a lecture format, but with sufficient flexibility to alter allotted time and emphasis as questions arise. From time to time, class will be conducted on a discussion format. You are required to follow the economic news in the press and participate in the class discussions. Regardless of which format is employed, questions and comments are encouraged.

Date	Topic	Assignments	Deliverables
<b>Week 1:</b>			
Session1- 8/27	Review of Economic Principles and Introduction to the Course	Introductory Chapter	
Session2- 8/29	Market Analysis and Elasticity	Introductory Chapter	
<b>Week 2:</b>			
Session1- 9/03	Why International Trade is Different	Chapter 1	
Session1- 9/05	The Basic Theory of Trade	Chapter 2	
<b>Week 3:</b>			
Session1- 9/10	Why Countries Trade <i>Quiz #1</i>	Chapter 3	
Session2- 9/12	Factor Availability and Trade	Chapter 4	Project Topics
<b>Week 4:</b>			
Session1- 9/17	Heckscher – Ohlin Model	Chapter 5	
Session2- 9/19	Who Gains and Who Loses from Trade	Chapter 5	
<b>Week 5:</b>			
Session1- 9/24	Alternative Theories of Trade <i>Quiz #2</i>	Chapter 6	
Session2- 9/26	Growth and Trade	Chapter 7	
<b>Week 6:</b>			
Session1- 10/01	Review for Test		
Session2- 10/03	<i>Test #1</i>		
<b>Week 7:</b>			
Session1- 10/08	Nontariff Barriers to Imports	Chapter 8	
Session2- 10/10	<i>Fall Recess, October 10 - 11</i>		
<b>Week 8:</b>			
Session1- 10/15	Analysis of Tariffs	Chapter 9	Presentation
Session2- 10/17	Arguments for and Against Protection	Chapter 10	Presentation
<b>Week 9:</b>			
Session1- 10/22	Pushing Exports	Chapter 11	Presentation
Session2- 10/24	Trade Blocs and Trade Blocks	Chapter 12	Presentation
<b>Week 10:</b>			
Session1- 10/29	Trade and Environment Review for Test #2 <i>Quiz #3</i>	Chapter 13	
Session2- 10/31	<i>Test #2</i>		
<b>Week 11:</b>			
Session1- 11/05	Payments Among Nations	Chapter 16	Presentation

<i>Session2- 11/07</i>	The Foreign Exchange Market	Chapter 17	Presentation
<i>Week 12:</i>			
<i>Session1- 11/12</i>	Forward Exchange and International Financial Investment	Chapter 18	Presentation
<i>Session 2- 11/14</i>	What Determines Exchange Rate	Chapter 19	Presentation
<i>Week 13:</i>			
<i>Session1- 11/19</i>	International Lending and Financial Crises	Chapters 20	
<i>Session2- 11/21</i>	Government Policies Toward the Foreign Exchange Market <b>Quiz #4</b>	Chapter 21	Presentation
<i>Week 14:</i>			
<i>Session1- 11/26</i>	How Does the Open Macroeconomic Work?	Chapter 22	Presentation
<i>Session2- 11/27</i>	<i>Thanksgiving Break, November 27 – December 1</i>		
<i>Week 15:</i>			
<i>Session2- 12/03</i>	Macroeconomic Determinants of Exchange Rate	BS: Notes on AD-AS	Presentation
<i>Session2- 11/05</i>	Review for Final Test		
	<b>Final Exam</b> <b>Final Exam: Tuesday, December 17, 8:00am – 10:00am</b>		
	<b>Final Exam</b> Please note: The date/time of the Final Exam is determined by the University. For the date and time of the final for this class, consult the USC <i>Schedule of Classes</i> at <a href="http://www.usc.edu/soc">www.usc.edu/soc</a> . Select the corresponding semester to view and click on the “Final Examinations Schedule” link on the left side of the screen.		

**Evaluation Form for Group Presentation**

Please make a copy of this form. Write the date, the group number, title of presentation, and members' names. Submit it to me before your presentation.

Date: \_\_\_\_\_

Group Number: \_\_\_\_\_

Title: \_\_\_\_\_

Names: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

	Excellent 4 pts.	Very Good 3 pts.	Good 1 pt.	Poor 0 pt.
Introduction gained attention				
Objectives of the research were explained well				
Content was presented clearly				
Content was well organized				
Knowledge of the subject matter				
Economic terminologies and tools were used properly				
Interaction and response to students' questions				
Conclusion was consistent with the content				
Data and graphs were used to back the arguments				
Data and information were from qualified sources				
Total				