

University of Florida
College of Agricultural and Life Sciences
Food and Resource Economics Department

AEB4242 International Trade Policy in Agriculture

Spring Term 2019

3 Credit Hours

Instructor and Contact Information

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Communication must include 'AEB4242 - UNIT #__ + (YOUR LAST NAME AND FIRST NAME)' in order to be answered. When e-mailing me, please summarize in **one paragraph** of no more than three lines the e-mail question so that I can more effectively addressing your concerns. If you are stuck on a specific procedure, send me the picture of the problem and where you are specifically having the issue. This will help me to answer more efficiently because I am teaching multiple classes. If you do not put an effort in the question, I will not provide you the hints to solve it - *Courteous and professional* e-mails can expect a prompt reply.

The professor reserves the right to change the terms and dates stated in this Course Syllabus depending on upcoming or unexpected events. Any changes will be communicated in class, via the Gatorlink e-mail listserv, and posted on E-Learning Canvas. It is solely the student's responsibility to stay informed of any changes

General Course Information

Required Textbooks:

International Economics, by Thomas Pugel. ISBN: 9780078021770

International Financial Management, by Cheol Eun. ISBN: 978-1-259-71778-9

- You will need a copy of the books. Please note that there are several editions of the book, all with different covers. All versions are the same, so either one would work

Course Description: This course is based on applied science. It examines the economic forces associated with trade and international finance between the United States and other countries. Economic and financial principles and analytical techniques are applied to international trade and multinational markets. Consideration is also given to international commercial policy and multinational agreements, including climate change topics as it is part of the global issues.

This is an upper-division course and it is structured and taught accordingly. The importance in the curriculum means you should plan on spending time outside to review the in-class and online lectures. During exam weeks, the time-commitment will be significantly higher. A lower study input will more than likely adversely affect your grade.

Prerequisites: AEB3103 – Introduction to Food and Resource Economics.

It is also expected that students must have basic knowledge of Excel and mathematical tools, especially linear equations, derivatives and linear programming.

Course objectives: This course focuses on issues relating to agricultural trade, international trade policy, international finance, globalization, economic development, and political economy. The course will equip students with the tools necessary to analyze the impacts of policies on consumers and producers, taxpayers. It will also help to understand why a firm may engage in multinational activities such as exports, foreign direct investment or merge and acquisition. The course focuses on international policies, which also involves topics applied to agriculture. Thus, after successful completion of this course, students should be able to:

1. Analyze past, current, and proposed policies effects on international trade.
2. Understand and explain major international organizations that influence the formation of domestic support and trade policies.
3. Explain the key international trade agreements that influence trade policies.
4. Understand how multinational companies take decisions
5. Have a perspective on international stocks
6. Explain why international agricultural trade is often regulated.
7. Analyze the interaction between economic and social goals and evaluate the ability of agricultural policies to accomplish these goals.
8. Relate international economic events to the operations of agribusiness firms.

Brief Course Outline: The material in AEB4242 is divided in ten units

MODULE 1: FRAMEWORK OF INTERNATIONAL TRADE AND FINANCE

1. Basis for international trade and finance (January 9th)
 - Lab 1: Supply and Demand System
 - Country of the Day: Peru
2. Free-trade economics (January 16th)
 - Lab 2: Autarky Equilibrium
 - Country of the Day: Andorra
 - Presentations: Free trade & Environment, World Trade Organization, OECD, Trade of US Gas
3. Multinational companies (January 23rd)
 - Country of the Day: Brunei
 - Presentations: Costa Rica, Morocco, Italy, Brazil, Ukraine, Singapore, United Arab Emirates

EXAM 01 (January 30rd)

MODULE 2: GLOBAL INTERACTION

4. Comparative advantage: The Ricardian Model (January 30rd)
 - Country of the Day: The United States
5. International production and consumption: The H-O Model (February 6th)
 - Lab 3: Ricardian and H-O Model
 - Country of the Day: The Vatican
 - Presentations: Russia, China, Germany, France, Sub-Saharan Africa, Iceland, Canada
6. The balance-of-payments accounts (February 13th)
 - Country of the Day: Lebanon
 - Presentations: Mexico, Ireland, Fiji, Chile, South Africa, Iraq, Sweden
7. International monetary system (February 20th)
 - Lab 4: Foreign Exchange Market
 - Country of the Day: El Salvador

EXAM 02 (February 27th)

MODULE 3: INTERNATIONAL COMPETITION

8. International barriers (February 27th and March 13rd)
 - Lab 5: Tariff, Quota and Tariff-Rate Quota (TRQ)
 - Country of the Day (March 13th): Hong Kong
 - Presentations (March 13th): New Zealand, Colombia, Switzerland, Saudi Arabia, Iran, Greece, Palau
9. Imperfect markets (March 20th)
 - Lab 6: Monopoly and Oligopoly in Trade
 - Country of the Day: Marshall Islands
 - Presentations: Netherlands, Sri Lanka, Cuba, Argentina, Finland, Libya, Djibouti,
10. International Agreements (March 27th)
 - Country of the Day: Ethiopia

EXAM 03 (April 3rd)

MODULE 4: INTERNATIONAL RISK EXPOSURE

11. Transaction and economic exposure (April 3rd and April 10th)

Lab 7 (April 10th): Future and Options on Foreign Exchange

Country of the Day (April 10th): Madagascar

Presentations (April 10th): Australia, Senegal, Ecuador, Spain, India, Indonesia, Panama, Denmark

12. International Bond and Equity markets (April 17th)

Lab 8: Interest Rates and Currency Swaps

Country of the Day: Cyprus

Final presentations (April 24th):

The Kyoto Protocol

The Uruguay Round

The Montreal Protocol

The European Union

NAFTA and USMCA

MERCOSUR

The ASEAN Free Trade Agreement

FINAL EXAM (May 1st)

Evaluation of Performance and Grading

Grades: You have the *opportunity* to earn up to **1000** points throughout the semester. Your final grade in AEB4242 will be based composed by the following items described on the right figure.

On the other side, there are three ways to obtain bonus points:

(1) Filling the end of the semester course feedback will allow for **10 extra points**. In order to receive those points, you need to submit the screenshot of the confirmation page as a proof that you submit it. In addition, if more than 75% of the students fill the survey, everybody receives **5 possible extra points**.

(2) If your mini-project (described in the course description section) is written in a state-of-art manner. I will provide you with **10 possible extra points**.

This means that there are 25 possible bonus points. This can make a change in letters (from B to A for example). No other opportunities to increase your score will be given.

Description	Quantity	Unit Value	Total
Review Quiz	10	5	50
Lab question quiz	10	5	50
Homework	7	20	140
Midterms	3	100	300
Presentations	7	20	140
Final presentations	1	100	100
Mini-project*	1	20	20
Final exam	1	200	200
TOTAL			1000

Final Grade	Minimum Score
A	930
A-	900
B+	870
B	830
B-	800
C+	770
C	730
C-	700
D+	670
D	630
D-	600
F	0

Final course grades will have the following benchmarks out on **1000** possible grade points as described on the left figure. Please note that grades are **not 'rounded' or 'adjusted'** at the end of the term. Haggling over grades at the end of the semester is NOT entertained. Of course, if I did a mistake in grading your exam I will gladly give you the correct points. If you believe that your exam is incorrectly graded or that your grade is incorrectly posted, please contact me via e-mail (i.e., in writing) as soon as possible. You have **7 days** after the grade has been posted to voice your concern. After 7 days have passed, your **posted grade will be assumed to be correct and accurate.**

For general information about grading and grading policy at the University of Florida, please refer to:

<http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>.

Review quizzes: Each unit is divided in chapters. There are pre-lab questions provided to help you in focusing in the important aspects that we will cover. From these questions, I will choose randomly one which will serve as a quiz.

Lab question quizzes: At the end of each lab session, there will be one problem that will need to be solved based on the topic we will be covering that day.

Homework Assignments: Homework is assigned for every one or two units All assignments must be clearly written showing the reasoning step by step. Late homework submissions will be subtracted 25% if turned the next day. At the second day of delay or later, assignments are **no longer accepted** and there are **no make-up opportunities** given.

Presentations: Presentations will be provided every week or every two weeks. This is a short 10 minute presentation on a topic assigned. You will need to give your classmates the PPT file and also a short 1 page summary of your presentation for them to study. Thus 70% of your grade depend on the presentation and 30% on the summary report. There will be questions on the exam about the presentations. Thus, it is important that the information is given to your colleagues.

Mid-terms: There will be three regular exams ('Mid-term exams') offered during the semester. Each exam is worth 100 points. The exams will consist of different multiple-choice, essay and math-solving questions. **In order to gain full credit, it is necessary to show all steps even if it is multiple-choice question** (the choices are simply provided to guide you to the correct answer). Selecting the correct answer without explanation does not earn points. The exams may be based on material covered in class or material from the book.

For each exam, you are allowed to bring a cheat-sheet that you must certify before starting the exam. The exams are rigorous in nature and substantial preparation will be expected and required. Likewise, the results of the exam will be provided the Wednesday after the exam is taken.

Mini-project: In this task you need to create and solve one math economic problem using any of the topics learned in this class. In order to create the question, you need to be imaginative: use a TV show, anime, soap opera, history, news or any other material. Originality in the problem is evaluated as part of the bonus points for this class. The basis is 20 points, but you can earn up to 10 bonus points if you do a good job in this project. The deadline of the mini-project is the day before reading days (for Spring2019 is **April 24th** at 5:00 pm)

Final Presentation: A final presentation will be given at the end of the class. This final presentation will be in front of guest professors. It is currently scheduled for **April 24th [at 12:00 pm]**. It is expected the

presentation to last between 12 to 16 minutes. It accounts for 10% of your final grade, and it will be evaluated by the guest judges and your classmates. It is expected to provide a one-page summary for the judges and colleagues. Every final presentation has one question in the final exam.

Final Exam: A **comprehensive mandatory Final Exam** is given during the final exam week on **May 1st [at 10:00 am] (!)**. Be prepared for the final exam to last three hours. All students are required to take the Final Exam and it will count as 20% points of your final course grade. Early or late exams are not given. Please plan accordingly.

Make-Up Exams: Make-up exams **are not given**. This policy applies for missing a mid-term, except for extreme circumstances, there are several days as option that you can take the exam. Should you miss the Final Exam for any reason, you will need to talk to Dr. Luis Peña-Lévano to evaluate the situation.

Extenuating Circumstances

Exception Exceptions to the Missed Assignment Policy reflect excused University events that fall under the 12-day rule or are of a very serious nature. These exceptions are referred to as “Extenuating circumstances” and require formal, letter-head documentation from a physician, hospital, UF faculty/academic advisor, or an email from the UF Dean of Students Office sent to the instructor’s UF email address, within 24 hours of assignment deadline. A health-clinic note on the day an assignment is due does not warrant extenuating circumstances and the “Missed Assignment” Policy (above) will apply.

Student Responsibility for Online Submissions

Students are responsible for ensuring and verifying that all of their assignment files are uploaded successfully in to Canvas. The instructor cannot be responsible for internet connections or failures. Students are strongly advised against using wireless connections to complete quizzes or upload assignments. Wireless connections have been problematic in previous semesters with students losing all points due to upload failure. A hard -wired connection can be located at any UF computer lab on campus or any public library to submit graded assignments. **TO REPEAT**, wireless connections are problematic, and quizzes or assignment uploads may not be saved (without any warning) and therefore locating a hard-wired connection is recommended to submit any graded assignments.

Exam day policy: Please arrive with your ID five minutes early, if possible, to get seated and get your books/bags stowed away so that the exam can be started on the stated time. If you need to use the bathroom, please do so before the exam begins. Students are not allowed to leave the Proctor=U lab during exams and re-enter the classroom. This policy also applies to the Final Exam.

Online course evaluation: Student assessment of instruction is an important part of efforts to improve teaching and learning. As a motivation, there will be **10 extra bonus points if the task is completed**. At the end of the semester, students are expected to provide feedback on the quality of instruction in this course using a standard set of university and college criteria. These evaluations are conducted online at <https://evaluations.ufl.edu>. Evaluations are typically open for students to complete during the last two or three weeks of the semester; students will be notified of the specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results>

Other Important Information

Students are responsible for all deadlines/critical dates and policies set forth by the University of Florida. Deadlines/critical dates are published on the University of Florida Office of the University Registrar's website, <http://www.registrar.ufl.edu/>. Current academic policies are presented in the University of Florida Undergraduate Catalog, <https://catalog.ufl.edu/ugrad/current/Pages/home.aspx>. Please familiarize yourself with this information.

Students Requesting Classroom Accommodation: The Disability Resource Center coordinates the needed accommodations of students with disabilities. This includes registering disabilities, recommending academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services, and mediating faculty-student disability related issues. Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester. This must be done at least 10 days prior to any accommodation is needed.

UF Counseling Services: The life of a college student can sometimes be overwhelming. Resources are available on-campus to help students manage personal issues or gain insight into career and academic goals. Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university's various counseling resources. The following resources are available for all UF students:

- For general student affairs: Dean of Students Office, 392-1261 (after hours, please call 392-1111);
- For mental health consultations: Counseling & Wellness Center, 392-1575 (24/7 phone access);
- For students experiencing distress: U Matter, We Care, 294-2273, www.umatter.ufl.edu;
- For physical health consultations: Student Health Care Center, 392-1161;
- For victims of sexual assault: Office of Victim Services, 392-5648 (after hours, please call 392-1111);
- For career guidance: Career Resource Center, 392-1602, www.crc.ufl.edu.

Software Use: All faculty, staff, and students of the University of Florida are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

Academic Honesty: In 1995 the UF student body enacted an honor code and voluntarily committed itself to the highest standards of honesty and integrity. When students enroll at the university, they commit themselves to the standard drafted and enacted by students. In their words, **the Honor Code Preamble:** In adopting this honor code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the university community. Students who enroll at the university commit to holding themselves and their peers to the high standard of honor required by the honor code. Any individual who becomes aware of a violation of the honor code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon community acceptance and enforcement of the honor code.

The Honor Pledge: We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

On all work submitted for credit by students at the university, the following pledge is either required or implied: **"On my honor, I have neither given nor received unauthorized aid in doing this assignment."** The university requires all members of its community to be honest in all endeavors. A fundamental principle is that the whole process of learning and pursuit of knowledge is diminished by cheating, plagiarism and other acts of academic dishonesty. In addition, every dishonest act in the academic environment affects other students adversely, from the skewing of the grading curve to giving unfair advantage for honors or for professional or graduate school admission. Therefore, the university will take severe action against dishonest students. Similarly, measures will be taken against faculty, staff and administrators who practice dishonest or demeaning behavior.

Student Responsibility: Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court.

Faculty Responsibility: Faculty members have a duty to promote honest behavior and to avoid practices and environments that foster cheating in their classes. Teachers should encourage students to bring negative conditions or incidents of dishonesty to their attention. In their own work, teachers should practice the same high standards they expect from their students.

Administration Responsibility: As highly visible members of our academic community, administrators should be ever vigilant to promote academic honesty and conduct their lives in an ethically exemplary manner. This policy will be vigorously upheld at all times in this course.

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Any instances of academic dishonesty will be reported to Student Judicial Affairs.

Student complaints: The University of Florida believes strongly in the ability of students to express concerns regarding their experiences at the University. The University encourages its students who wish to file a written complaint to submit that complaint directly to the department that manages that policy.

- For a residential course, please read the following link:
https://www.dso.ufl.edu/documents/UF_Complaints_policy.pdf
- For an online course, please follow this link:
<http://www.distance.ufl.edu/student-complaint-process>

By enrolling in this course, you are agreeing to the terms outlined in this syllabus.

I wish everyone a rewarding and productive semester 😊