

# Economic Analysis

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## Economics 4431W: International Trade

### Assignment Objective

The objective of this assignment is to give you an opportunity to:

1. Apply the analytical skills and intuition obtained in your economics courses to examine an economic issue in which you have a special interest; and
2. Learn how to write a formal report.

### Assignment Format

For this assignment, you are to submit a final 10–15 page report which involves the economic analysis of an issue dealing with International Trade. The assignment is in four parts, each nesting the preceding one. Each assignment must be turned in on the date indicated and each will be graded separately.

Your report must be typed, double space. Please write at least 10 but no more than 15 pages. You should consider the target audience for your report to be your peers; i.e., educated college graduates. Before turning in your assignment, you are encouraged to have it reviewed by one of your fellow students in the class. If you choose to do so, please mention the name of the student on your report and turn in (on a separate sheet) a brief assessment of the usefulness of the student's comments (be concise but specific.)

If at any time you have any problem understanding what is asked from you or how to go about completing this assignment successfully, please contact Faisal.

You will also be asked to present a summary of your paper in class. *With each assignment you must include all previous assignments.* Failure to do so will delay the grading.

*All assignments are to be turned in on the due dates at the beginning of class. Those turned in later by the end of the day will receive a penalty of 10 points, those turned in the following day will receive a penalty of 20 points. No assignments will be accepted after that.*

1. **Topic** of the report (due Thursday, September 19, 2002.)

You must submit a one-page paper carefully explaining the chosen topic. Make sure it pertains to International Trade. Please start by writing one sentence (bold type) describing clearly the question or topic you want to analyze.

In this assignment, you should try to answer the following questions:

1. What am I trying to show?
2. Why should people care? Why is it interesting?

Be careful that your project is not too general/ambitious. *Please narrow the topic to some specific aspect of a more general question.* Remember that well-defined topics are easier to complete successfully. Be clear and concise. The more precise you are, the easier it will be to provide you with feedback.

2. **Outline** of the report (due Thursday, October 10, 2002.)

A. You must submit a 2-3 page paper giving a clear outline of your project.

It should contain:

- A title page that includes the title of the report, your name and I.D. number, as well as the date the report is turned in.
- A clear *introduction* describing the topic you chose and the way you have decided to analyze it. The first sentence of your introduction should answer the question: what am I trying to show?
- A summary of your essential ideas or arguments. Try to limit yourself to 3 main points. *You should separate each point by having different sections/paragraphs.* Feel free to make subsections where needed.
- A *conclusion* in which you restate the question you are analyzing, summarize the main points you developed and present the results you drew from that analysis.
- A reference section (or *bibliography*) where you list the references used.
- You may add an *appendix* for graphs, data or mathematical derivations.

Be clear and concise. Try to present your main points as sharply as you can. Make sure that your arguments are coherent and think carefully about the structure of your paper.

**B.** For this assignment, each student is required to read at least one academic economic publication. The objective of this reading is for you to become familiar with the structure and format of writing in Economics. Note the use of the abstract, the introduction and conclusion, the use of side-headings, and the general format and flow of ideas. *Each student must submit the*

*complete reference of the article read. Failure to do so will result in 10 points taken off the grade of the Outline.*

Please use one of these academic economic publications: The American Economic Review, International Economic Review, Journal of Political Economy, Journal of International Economics, or Journal of International Money and Finance.

Other publications including "The Economist", "The Wall Street Journal", magazines, and newspapers *do not* qualify.

*Remember to submit the reference of the article and not the article itself. This reference should not be included in your general bibliography for part A of this assignment.*

### 3. **First Draft** (due Tuesday, November 12, 2002.)

You should submit a 10-15 page version of your paper containing all the main ideas/points that you are going to develop. If your first draft is good, you will only have to make minor revisions before turning it in as your final report and will not need to include new material.

The first draft should contain the same elements as the Outline, but each main idea/point should be fully developed and articulated. Your paper should be coherent and your logic should be transparent. Particular emphasis should be put on the structure of the paper.

### 4. **Final Report** (due Tuesday, December 3, 2002.)

You should submit a final, polished version of your paper, taking into account the remarks and comments made on previous assignments. You should not need to add new material at this stage, although you are allowed to if you have discovered elements that would substantially alter the logic or the conclusions of your paper.

*Turn in all parts of the assignment - please staple everything (topic, outline, first draft, and final draft) together, with the final report on top. Remember to keep one copy of the report for your records.*

### 5. **Presentations** (December 3 and 5, 2002.)

You need to present a five-minute summary of your paper in class, focusing on the main ideas. This will also count toward your grade on the report. Feel free to write up a one-page abstract and read it out.

## Choosing a Topic (Examples of Possible Topics)

You are encouraged to find your own topic and to choose something you have a strong interest in. Students are not allowed to choose the same topic. If you have difficulty finding a topic that interests you, you may check the list below for inspiration. *Make sure your topic is related to International Trade.*

1. Analysis of Trade Disputes – causes, effects, solutions, role of WTO.
2. Current world slowdown (or Recession) and World Trade
3. Does the U.S. have to worry about its trade deficit with: (a) A particular country like Japan; or (b) The rest of the world (i.e., its overall trade deficit)?
4. Poverty, Inequality, and International Trade – any links?
5. Government trade policies and their effects on International Trade
6. Analyze trade within the European Community, or EU's trade with other countries.
7. What will be (or is) the labor market impact of NAFTA (or WTO)?
8. Should NAFTA include Chile? (Or some other country?)
9. How do trade theories hold up to the data?
10. Investigate world trade in Automobiles (or oil, gold, sugar, etc)
11. Analyze Regional Trading Blocs (for example, the small trade blocs in Africa) or a particular Free Trade agreement (as the US-Israel Free Trade Agreement.)
12. What is the role of Multinational Corporations in world trade?
13. Patents, Intellectual property, and Trade: What does "Made in USA" mean? What are the consequences of (lesser developed) countries copying patented products made in other (more developed) countries?
14. Discuss the pros and cons of protectionism or analyze a particular historical episode.
15. Analyze U.S. protection policy on textiles or sugar or some other good.
16. What are the economic effects of international labor migration?
17. Investigate trade between US-China, US-Japan, US-any other country/group of countries.
18. Analyze the European Community's Common Agricultural Policy.
19. What is the impact of MERCOSUR? Does the fact that its members have high tariffs vs. the rest of the world make them more protectionist?
20. Why do similar countries trade?
21. Trade as a political tool: Should the US trade with countries that employ child labor or do not respect human rights?

## Grading Criteria

*Each part of the assignment (Topic, Outline, First Draft, Final Report) will receive an individual grade (Denoted by G1, G2, G3, G4, respectively). Let  $G_{min} = \min \{G1, G2, G3, G4\}$ . Your grade for the written part of the assignment is given by the formula:  $G = (1/7) * [G1 + G2 + 2 * G3 + 4 * G4 - G_{min}]$ . In other words, the Final Report counts for 50 %, the First draft for 25 % and both the Topic and the Outline for 12.5% each. You also get to take out part of the lowest grade you get. If your lowest grade was received for the Topic or the Outline, this grade is dropped. If the lowest grade was received for the First Draft, the weight of this grade is only half*

of what it would otherwise be. If the lowest grade was received for the Final Report, the weight of this grade is only 3/4 of what it would otherwise be. This G grade is 95 % of the grade of the assignment, with 5 % going to the oral presentation.

Grading of all parts of the assignment will be based on:

1. The level of analytical skill and intuition demonstrated in the report (e.g. whether you can analyze the issue critically, whether you can argue logically, originality of your ideas, etc.); - (75% of the grade) AND
2. The presentation of the report (e.g. how well you explain difficult concepts and arguments, the coherence and clarity of the presentation, the amount of spelling and grammatical errors, etc.) - (20% of the grade) AND
3. Oral Presentation of the report - (5% of the grade)

Note that this Writing Assignment (including the Oral Presentation) counts for 25% of your grade in the Econ 4431W course.

Only reports that demonstrate outstanding qualities in all criteria will be awarded the highest grade. Reports that are unsatisfactory in any of the criteria will result in a grade of "F".

### **Scholastic Dishonesty**

Students must work on their reports individually. The College of Liberal Arts defines scholastic dishonesty as "any act that violates the right of another student with respect to academic work or that involves misrepresentation of a student's own academic work. Scholastic dishonesty includes (but is not limited to) cheating on assignments or exams; plagiarizing (misrepresenting as one's own anything done by another); submitting the same or substantially similar papers for more than one course without the consent of all instructors concerned; depriving another of necessary course materials; or sabotaging another's work."

*Students who commit any form of the scholastic dishonesty described above will receive a grade "F" for their Writing Assignment.*

### **Plagiarism**

This involves passing off anyone else's work as your own, and includes copying a whole paper or parts of it and claiming it as your own work. The University has very strict rules concerning plagiarism. If you use any other person's work, words, or ideas, please cite and acknowledge the sources. Note that the University has purchased a program that allows professors to check if any student paper, essay, or research paper has been copied or paraphrased from the Internet. Please check the following Web site for more details on plagiarism. <http://CISW.cla.umn.edu/> and Click on Plagiarism.

## References

1. "So You Have To Write an Economics Term Paper..." by L. Officer, D. Saks, and J. Saks.
2. "The Elements of Style" by W. Strunk Jr. and E. B. White
3. "The Writer's Guide to College Economics" by T. L. Wyrich.
4. "Economical Writing" by Deirdre McCloskey

These are on reserve at the Wilson library. Some sample papers written by previous students of the class are also on reserve.

Sources for economics journals: - Wilson library.

Publications by the Federal Reserve Bank's economists: - <http://www.minneapolisfed.org>.

Data sources: - <http://www.helsinki.fi/WebEc> Click on Economics Data and go on from there.

## Writing Techniques

The following are some common problems of students' reports:

1. The paper lacks focus and is not well organized. A major reason why this happens is that students cannot decide on THE most important message that they want the readers to get from the report, and consequently they cannot organize the report in a logical and coherent manner. Thus, students must decide on the single most important message that they want to get across to the readers, and when presenting the arguments, students should always consider whether the arguments are relevant in leading to the central message of the report. An example of an unfocused thesis statement is: "Labor force participation by women in the U.S. has increased dramatically over the past 50 years because of A, B, C, ... and Z." It would be much better to pick out only the one or two most important factors from the list of A through Z above.
2. There are not enough analyses and explanations in the report. Many times students state some ideas or conjectures without explaining step by step the logic behind these ideas or conjectures. While students can assume that the readers of the report have some introductory economics course background, it is essential that students try to guide the readers through the arguments carefully to make sure that the readers understand the arguments.
3. The use of quotations to substitute for the explanations. A common mistake students make in their reports is that they use quotations from textbooks or articles AS the arguments. It is acceptable for students to use some ideas suggested by others, yet students should try to explain the ideas in their own words and should not simply copy the quotations without their own explanations.
4. A lot of grammatical and spelling errors in the report. It is frustrating (and unfortunately not uncommon) to see senior economics students writing sentences like "companies loose a lot of thier moneys," or "If you worked hard, you will success." To avoid these errors, students can ask their friends who are good in composition to proofread their reports. Students should also use the many writing services available on campus to get advice on correct grammar usage.
5. Confusing cause with effect. Another common mistake is not recognizing that an apparent cause of something might instead be an effect of that something. An example would be: "Female labor force participation in the U.S. has increased in part because women are having fewer children."

It would be easy to show that female labor force participation and the declining fertility rate happened over the same time period, but anyone seeing this might then ask "Why do you think the declining fertility rate caused the increased female labor force participation, and not the other way around?" You need to anticipate this question by giving evidence, or acknowledge that the evidence of causality here is not clear.

The following are some presentation techniques that students can use:

1. The use of graphs, tables and charts. Whenever possible, try to use these to summarize the statistics used in the report, and try to use graphs to summarize some of the economic arguments used (e.g. shift in supply and demand, how the consumer surplus changes due to some policy change, etc.).
2. The use of footnotes. There may be some arguments that are interesting and yet do not fit into the report very well; a possible strategy is to present these arguments in a footnote.
3. A good "Introduction" and a good "Conclusion". A good "Introduction" can compel the readers to continue reading the report with enthusiasm. Students should try to state clearly and precisely the issue that is addressed in the report, explain why the issue is interesting and/or important to the readers, and give the readers some hints about the major conclusion that is obtained in the report. A good "Conclusion" should remind the readers of THE most important message of the report and why it is interesting and/or important to the readers.

### **Check List.**

Remember to submit the complete reference of the academic publication you read with the second assignment (Outline) (Penalty: 10 points).

Remember to attach all previous assignments with each new assignment submitted.

Remember to turn in your assignment on time. No assignments will be accepted after the second day. (Penalty: 10 points per day up to a maximum of 20 points per assignment).

Sahi, Simran. Writing Assignment, Economics 4431W. Economics Department: University of Minnesota. 30 Dec 2002