

**Eco 354**  
INTERNATIONAL ECONOMICS  
**Assignment 2**

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Spring 2024

**Due:** Thursday, May 23<sup>rd</sup>, e-mailed to me by no later than 1:55 PM EDT in **one** single **pdf** file. Make sure your **file-name** has this format **Yourlastname Assignment 2** (e.g., Smith Assignment 2).

**Weight:** 20%

**Presentation:** *All material must be typed (exceptions: graphs and equations may be drawn/written by hand and then photographed and embedded into the pdf file). All graphs must be clearly labelled, and preferably drawn on graph paper. You can generate professional graphs in Excel and/or EViews. The presentation of ALL material must adhere to professional standards. You will lose points for shabby presentations.*

1. [16 points] Chapter 6, Question 2, p. 145 of the textbook. Make sure to include in your answer **two sets** of production possibility frontiers, relative price lines, and indifference curves, one set for part a, and one set for part b.
2. [23 points] Chapter 6, Question 9, p. 146 of the textbook. Make sure to include in your answer **three sets** of productions possibility frontiers, relative price lines and indifference curves, one set for the U.S., one for China, and another set for India.
3. [12 points] Chapter 7, Question 7, p. 168, textbook.
4. [16 points] Chapter 8, Question 2, p. 212, textbook (note that here we are talking about the **three** countries forming **one** integrated market). You **must** show **all** your calculations.
5. [33 points] This question is about the hotly debated concept of “industrial policy.” Start by reading chapter 12 of the textbook. Then read the four linked articles in the indicated order. Based on these readings, and any other article that you wish to consult (e.g., the one called “Optional”), write a three-page<sup>1</sup> **executive summary** to *critically analyze* industrial policy as is being proposed/implemented in the US, in particular currently by the Biden administration. **Stay away from generalities, “opinion”, and/or chauvinism; be very specific and evidence-based!** [For guidance regarding how best to proceed, check the section that I have highlighted on page 3 of the Dani Rodrik article—“Article 1”.]

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<sup>1</sup>Typed, double-spaced, one-inch margins all around, Times New Roman 12-point font formatted for 8.5 by 11 paper, absolutely not to exceed three pages. You may put your bibliography, and any additional material, such as charts, tables, etc., on pages 4 and beyond.