



Course and Examination Fact Sheet: Spring Semester 2017

8,264: International Trade

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Written examination (80%, 90 mins.)

Decentral - examination paper written at home with presentation (individual) (20%)

Attached courses

Timetable -- Language -- Lecturer

[8,264,1.00 International Trade](#) -- Englisch -- [Legge Stefan](#) , [Schetter Ulrich](#)

Course information

Course prerequisites

Basics in micro- and macroeconomics. Working knowledge of micro theory.

The course aims at MEcon and MIA students.

Course content

Content: Why do countries trade and who gains from trade liberalization and globalization? To answer these central questions, this course provides an in-depth treatment of modern theories of international trade. We discuss their empirical validity and illustrate their relevance by anecdotal evidence.

First, we review classical trade theory: trade due to productivity differences (Ricardo-model), the competitive two-sector model, trade due to different factor endowments (Heckscher-Ohlin), specific-factor models (Ricardo-Viner). We investigate the general reason why there are gains from trade and discuss the empirical validity of classic trade models. Second, we turn to the new trade theory: intra-industry trade due to specialization (Krugman model), the empirical counterpart: the gravity equation. Furthermore, we highlight reasons why similar countries trade more (Linder-Hypothesis) and the selection effect of trade (Melitz model).

Qualifications: The course prepares students for a high-quality level analysis of international trade. This skill is essential for both academic and applied research. Many of the methods and topics discussed in this course are required for graduate level research (in a PhD program) or applied research at central banks and alike.

Learning goals: Building on a solid understanding of basic micro- and macroeconomics, the participants of the course acquire knowledge on why countries trade, how they (might) benefit, how trade policy works, and how to study international trade empirically, supporting them in forming and expressing critical views on public and policy debates in this area.

Course structure



Lectures combined with exercises and student presentations.

Course literature

- Robert Feenstra, *Advanced International Trade: Theory and Evidence*, Princeton University Press, 2nd Edition, 2016

- Lecture notes

Further reading:

- Jones, Ronald; *Globalization and the Theory of Input Trade*, MIT Press, 2000.

- Markusen, James, James Melvin, William Kaempfer, and Keith Markus; *International Trade: Theory and Evidence*, McGraw Hill, 1995.

References to journal articles and working papers are given in class.

Additional course information

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Written examination (80%, 90 mins.)

Remark

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Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

Supplementary aids

see above, no further aids allowed.

Examination languages

Question language: English

Answer language: English



2. Examination sub part (2/2)

Examination time and form

Decentral - examination paper written at home with presentation (individual) (20%)

Remark

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Examination-aid rule

Term papers

- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2015), *Lern- und Arbeitsstrategien* (11th ed., 4th printing). Aarau: Sauerländer).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B. (2014, *Juristisches Arbeiten: Eine Anleitung für Studierende* (5. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

Supplementary aids

see above

Examination languages

Question language: English

Answer language: English

Examination content

I. Written Exam

Material covered in class. Details will be announced on StudyNet.

II. Short Summary with Presentation

See course outline on StudyNet

Examination relevant literature

- Robert Feenstra, *Advanced International Trade: Theory and Evidence*, Princeton University Press, 2004

- Lecture notes



Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 26 January 2017
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 20 March 2017
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 10 April 2017

Please look at the fact sheet once more after these deadlines have expired.