



## Course and Examination Fact Sheet: Spring Semester 2019

8,264: International Trade

ECTS credits: 4

### Overview examination/s

(binding regulations see below)

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

Decentral - Presentation (in groups - all given the same grades) (20%)

### Attached courses

Timetable -- Language -- Lecturer

[8,264,1.00 International Trade](#) -- Englisch -- [Föllmi Reto](#), [Legge Stefan](#)

### Course information

#### Course prerequisites

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

The course aims mainly at MEcon, MiQEF 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 C. Feenstra, *Advanced International Trade: Theory and Evidence*, Second Edition, Princeton University Press, 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

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#### 2. Examination sub part (2/2)

##### Examination time and form

Decentral - Presentation (in groups - all given the same grades) (20%)

##### Remark

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##### Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

##### Supplementary aids

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##### Examination languages



Question language: English

Answer language: English

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## 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 C. Feenstra, *Advanced International Trade: Theory and Evidence*, Second Edition, Princeton University Press, 2016

- 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 24 January 2019
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 18 March 2019
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 08 April 2019

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