



Course and Examination Fact Sheet: Spring Semester 2020

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.

Learning objectives

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.

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.

Course 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).

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

--

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

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

Remark

--

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

Remark

--

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

--



Examination languages

Question language: English

Answer language: English

Examination content

I. Written Exam

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

II. Short Summary with Presentation

See course outline on Canvas.

Examination relevant literature

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

- Lecture notes

Please note

Please note that this fact sheet alone is binding and has priority over any other information such as StudyNet (Canvas), personal databases or faculty members' websites and information provided in their lectures, etc.

Any possible references and links within the fact sheet to information provided by third parties are merely supplementary and informative in nature and are outside the University of St.Gallen's scope of responsibility and guarantee.

Documents and materials that have been submitted no later than the end of term time (CW21) are relevant to central examinations.

Binding nature of the fact sheet:

- Information about courses and examination time (central/decentral) and examination type starting from the beginning of the bidding on 23 January 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for decentral examinations after the 4th semester week on 16 March 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for central examinations as from the starting date for examination registration on 6 April 2020

Please consult the fact sheet again after these deadlines have expired.