



## Course and Examination Fact Sheet: Spring Semester 2021

### 8,264: International Trade

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

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

Examination time: term time

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

Examination time: term time

#### 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

- Reto Foellmi and Stefan Legge, Lecture Notes in International Trade, Manuscript, 2020



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

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

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in SpS2021, the course information listed above will be changed as follows

- The course is conducted online via the platform Zoom;
- The recordings of the course are available for 30 days;
- The lecturer informs via Canvas on the changed implementation modalities of the course;
- There are no changes necessary to the course information.

The examination information listed below would be changed as follows:

- The presentations are conducted online and are being recorded;
- The written exam is replaced by an oral examination on Zoom.

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination time and form

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

Examination time: term time

##### 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, 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%)

Examination time: term time

### 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 Canvas.

### II. Short Summary with Presentation

See course outline on Canvas.

## Examination relevant literature

-- Reto Foellmi and Stefan Legge, Lecture Notes in International Trade, Manuscript, 2020

### Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 28 January 2021);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 22 March 2021);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 14 (Thursday, 8 April 2021).



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