

## 9,250 International Trade Theory

### Course Outline

Prof. S.J. Evenett

#### Contact details:

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#### Objectives of the course:

This course will examine the theoretical and empirical foundations of international trade. Fifteen years ago this course would have been entirely theoretical. What has happened since is that empirical evaluations of trade theories have become more influential and have resulted in reformulations of trade theory. The interrelationship between theory and empirics has, thus, become more important in this field.

It is assumed that students have a very good understanding of microeconomics and a basic understanding of econometrics.

#### Textbook for the course:

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

This book was ordered sometime ago and should be available at the bookshop and in the university library. It is essential that you obtain a copy of this book as the lecture material will be based on it.

#### Schedule of lectures for the course and associated readings:

<i>Date of lecture:</i>	<i>Subject matter of lecture:</i>	<i>Readings for the lecture:</i>
24.09	Introduction	
01.10	Preliminaries: Two Sector Models	Chapter 1 of the textbook
08.10	The Heckscher-Ohlin model.	Chapter 2 of the textbook.
22.10	Many Goods and Factors.	Chapter 3 of the textbook.
24.10	Trade in Intermediate Inputs and Wages.	Chapter 4 of the textbook.
26.10 16hrs.	Midterm exam.	
12.11	Increasing Returns and the Gravity Equation.	Chapter 5 of the textbook.

<i>Date of lecture:</i>	<i>Subject matter of lecture:</i>	<i>Readings for the lecture:</i>
19.11	Import Tariffs and Dumping	Chapter 7 of the textbook.
30.11	Import Quotas and Export Subsidies	Chapter 8 of the textbook.
3.12	Political Economy of Trade Policy.	Chapter 9 of the textbook.
17.12	Trade and Endogenous Growth	Chapter 10 of the textbook.
21.12	Multinationals and Organization of the Firm.	Chapter 11 of the textbook.

**Assessment method for this course:**

There will be two exams for this course. The midterm exam will take place after the lectures in October. This exam is worth 40 percent of the final grade.

The final exam will take place in the usual university organised exam period. This exam is worth 60 percent of the final grade.

Both exams will require some mathematical problem solving or derivations. You will also be expected to evaluate, on the basis of the material covered in class and in the textbook, the performance of certain trade theories. Sample exams can be found on the "teaching materials" page of my website.

You are responsible for all of the material in each of the assigned chapters of the textbook, irrespective of whether every point is covered in class.