International Trade

Syllabus

Jin Ho Kim*

Module Code:	BS3568
NUMBER OF CREDITS:	Overall module is 20 credits
SEMESTER:	Spring Semester of 2022/23. (The weight of Fall Semester is 50%)
LECTURER:	Dr. Jin Ho Kim
TUTOR:	Yixuan Mai

Objective

- Provide a thorough intuition, derivation, explanation and economic implications of Ricardian model, Factor endowment Model,New Trade Model, and Offshoring Model. Where appropriate, the relevance of these models will be discussed and scrutinized.

METHODS OF TEACHING AND LEARNING

- In the Fall semester, there will be 10 face-to-face teaching (lectures; 20 hours) and 5 face-to-face classes (tutorials; 7.5 hours). Recorded lectures and tutorial questions will be made available to students online in advance. Students are required to prepare and solve class exercises (tutorial questions).

Assessment

- Continuous assessment: There is no assessment or class test.
- Examination: 100%. One 2-hour examination at the end of the Spring semester. Please note that this 100% counts for 50% of the overall module mark inclusive of the second semester. The examination at the end of the Fall semester will only include materials (syllabus) taught in the Fall Semester. There will be 4 questions of which 2 questions need to be answered in full.

Textbooks

- Krugman, Paul, Maurice Obstfeld and Marc Melitz (KOM), International Economics: Theory and Policy (12th edition, Pearson).
- Feenstra, Robert, Alan Taylor (FT) International Economics (5th edition, Macmillan).
- Feenstra, Robert (2004), Advanced International Trade: Theory and Evidence (Princeton University Press).

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Readings

- Ricardian Model of Comparative Advantage
  - **KOM(Ch.3) Labor Productivity and Comparative Advantage: The Ricardian Model**
- Specific Factor Model (Ricardo-Viner)
  - **KOM(Ch.4) Specific Factors and Income Distribution**
- Heckscher-Ohlin Model
  - **Lecture Note**
  - Feenstra (pp.1-33)
  - KOM(Ch.5) Resources and Trade: The Heckscher-Ohlin Model
- Neoclassical Economic Model
  - **KOM(Ch.6) The Standard Trade Model**
- Monopolistic Competition and Heterogeneous Firm
  - **Neary, P (2009),'Putting the "new" into new trade theory: Paul Krugman's Nobel memorial prize in economics', Scandinavian Journal of Economics, 111/2.**
  - **KOM(Ch.8) Firms in the Global Economy: Export Decisions, Outsourcing**
- Offshoring of Goods and Services
  - **FT(Ch.6) Offshoring of Goods and Services**
  - The New York Times: "Second Thoughts on Free Trade", January 6, 2004

Course Schedule

- Week 1-Part 1: Introduction, Ricardian Model
- Week 2-Part 1: Introduction, Ricardian Model[continued]
- Week 3-Part 2: Factor Endowment Model (RV, HOS)
- Week 4-Part 2: Factor Endowment Model (RV, HOS) [Continued]
- Week 5-Part 2: Factor Endowment Model (RV, HOS) [Continued]
- Week 6-Part 3: Monopolistic Competition and Heterogenous Firms
- Week 7-Part 3: Monopolistic Competition and Heterogenous Firms [Continued]
- Week 8-Part 4: Offshoring of Goods and Services
- Week 9-Part 4: Offshoring of Goods and Services [Continued]
- Week 10-Summary and Review