International Trade

Syllabus

Jin Ho Kim*

Module Code:	BS3568
NUMBER OF CREDITS:	Overall module is 20 credits
SEMESTER:	Fall Semester of 2023/24. (The weight of Fall Semester is 50%)
LECTURER:	Dr. Jin Ho Kim
OFFICE HOUR:	Mon 1-3 PM (F25, Aberconway 5th floor)
TUTOR:	Ran Zhang

Objective

- Provide a thorough intuition, derivation, explanation and economic implications of Ricardian model, Factor endowment Model, EIRS Model, Footloose Factor 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; 10 hours). Recorded lectures and tutorial questions will be made available to students on-line 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 Fall 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.

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).
- R. Caves, J. Frankel, R. Jones (CFJ): World Trade and Payments, Pearson Addison Wesley, 10th ed

*Lecturer in Economics, Department of Economics, Cardiff University. E-mail: kimjh3@cardiff.ac.uk kimjh3@cardiff.ac.uk.

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**
  - KOM(Ch.5) Resources and Trade: The Heckscher-Ohlin Model
  - Feenstra (pp.1-33)
- Neoclassical Economic Model, External Economics of Scale
  - **KOM(Ch.6) The Standard Trade Model**
  - **KOM(Ch.7) External Economies of Scale and the International Location of Production**
  - **Lecture Note**
  - **CFJ(Ch.8.2) Resource Trade, Outsourcing, and Product Fragmentation**
- Monopolistic Competition and Heterogeneous Firm
  - **KOM(Ch.8) Firms in the Global Economy: Export Decisions, Outsourcing: pp.196-240**
  - **Neary, P (2009),'Putting the "new" into new trade theory: Paul Krugman's Nobel memorial prize in economics', Scandinavian Journal of Economics, 111/2.**
- Offshoring of Goods and Services
  - **KOM(Ch.8) Firms in the Global Economy: Export Decisions, Outsourcing: pp.222-230**
  - Feenstra, Robert C. 1998. "Integration of Trade and Disintegration of Production in the Global Economy." Journal of Economic Perspectives, 12 (4): 31-50.

Course Schedule

- Week 1-Topic 1: Introduction, Ricardian Model
- Week 2-Topic 1: Introduction, Ricardian Model[continued]
- Week 3-Topic 2: Factor Endowment Model (RV, HOS)
- Week 4-Topic 2: Factor Endowment Model (RV, HOS) [Continued]
- Week 5-Topic 2: Factor Endowment Model (RV, HOS) [Continued]
- Week 6-Reading Week
- Week 7-Topic 3: Neoclassical Model: Implication and Limitation
- Week 8-Topic 3: Neoclassical Model: Implication and Limitation [Continued]
- Week 9-Topic 4: Monopolistic Competition and Heterogenous Firms
- Week 10-Topic 4: Monopolistic Competition and Heterogenous Firms [Continued]
- Week 11-Topic 5: Multinational Corporations, Offshoring, and Product Fragmentation
- Week 12-Summary and Review