

Advanced International Trade

Syllabus

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The goal of this course is to gain a basic understanding of both traditional and new trade theory. After the course, students should be able to explain the main theories and empirical findings from the international trade literature. They should also be able to work with the formal models used in international trade at a basic level, and apply theoretical concepts to policy questions.

Prerequisites

Good knowledge in microeconomic theory, mathematics for economists, and econometrics. Prior introduction to international trade is a plus.

Assessment

Grading is based on problem sets (20%) and a final exam (80%). A minimum of 50% of the total is necessary for passing the course.

Textbooks

Feenstra, R. (2016), *Advanced International Trade: Theory and Evidence*, 2nd edition, Princeton University Press (F)

van Marrewijk, C. (2017), *International Trade*, 1st edition, Oxford University Press (M)

Part 1: Traditional trade theory (comparative advantage)

1. Technological advantage and the Ricardian model

F: Chapter 1, M: Chapter 4

2. Factor abundance and the Heckscher-Ohlin model

F: Chapters 1-2, M: Chapters 5-6

Part 2: New trade theory (competitive advantage)

3. Increasing returns and monopolistic competition: homogeneous firms

F: Chapter 5, M: Chapters 7-8

4. Increasing returns and monopolistic competition: heterogeneous firms

F: Chapter 6, M: Chapter 13

Part 3: The gravity equation

5. The gravity equation

F: Chapters 5-6