HE2013 International Trade

Course Code & Title: HE2013_International Trade
Academic Units: 3
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Course Organization: 2-hours Lecture + 1-hour Tutorial

Course Description

This course will explain why and how trade happens by introducing the principle of comparative advantage, the Ricardian model, the specific-factors model, the Hechscher-Ohlin theory, the gains from trade, and other new trade theories. Then the effects of international trade, migration, foreign direct investment and offshoring will be discussed. Both theoretical foundations and practical examples will be presented along the way. Based on these, this course will further discuss about international trade policies, effective protection, instruments and impacts of trade policies, along with the political economy of trade policy and international agreements.

Learning Outcomes

Using the tools of microeconomic analysis, students will be able to discuss about the origins and patterns of international trade as well as the welfare and distributional impacts of trade among various groups in the economy, such as gains and losses in trade. Students will also be able to describe the controversies in real world trade policies, such as the debates between protection and free trade. They will be able to comment on some of the current trade policy issues. Overall, the systematic introduction of trade theories and policies in this course helps students to develop mental skills necessary to gain insights into the workings of the global economy as well as the past and current state of international economic order.

Textbook

Feenstra, Robert C. and Alan M. Taylor, International Trade (2e), Worth Publishers, 2012. (Note: The first edition of this textbook will also work.)

Supplementary Textbooks

Assessment (it is subjected to change)

- Attendance and Class Participation 10%
- Mid-Term Quiz 15%
- Course Project 10%
- Final Exam 65%

- You are expected to come to each lecture and tutorial, and engage in discussions;
- Mid-Term Exam will be held in class, lasting around 50 minutes;
- Course projects are rigorous investigations or reviews about certain topics in international trade that interest all your group members. You can also do it individually. In that case, an article review is acceptable. Article review is a brief summary; along with reasonable and logical critics and comments, and constructive suggestions about an academic research journal article (media reports or newspaper articles are not qualified.);
- Both mid-term and final exams are closed-book. NO make-up exam will be arranged. (If you have to miss the mid-term quiz, then your mid-term weight will be moved to the final).

Course Outline: Tentative Topics

1. Overview of Trade in the Global Economy
2. The Ricardian Model: Comparative Advantage
3. The Specific-Factors Model
4. The Heckscher-Ohlin Model
5. Migration and Foreign Direct Investment
6. Imperfect Competition
7. Offshoring
8. Instruments of Trade Policy
9. The Political Economy of Trade Policy
10. International Agreements
11. Trade Policy in Developing Countries, Trade with Growth
12. Revision, Discussion