VNIVERSITAT ID VALÈNCIA

COURSE DATA

Data Subject	
Code	44954
Name	International Trade
Cycle	Master's degree
ECTS Credits	5.0
Academic year	2023 - 2024

Study (s)			
Degree	**Center**	**Acad. year**	**Period**
2242 - M.D. in Economics	Faculty of Economics	1	First term

Subject-matter		
Degree	**Subject-matter**	**Character**
2242 - M.D. in Economics	11 - Materia analítico-conceptual	Optional

Coordination	
Name	**Department**
REQUENA SILVENTE, FRANCISCO	132 - Economic Structure

SUMMARY

The purpose of the International Trade course is the study of the theoretical models that help us to understand why countries trade, and in each case, what is the source of gain from trade. This course explores the first "classical" theories of free trade with constant returns to scale. The following addresses the "New Trade Theory" which explores the role of economies of scale in trade. Finally a presentation of the theoretical models developed in the framework of the "New-New Trade Theory," which examines the role of firm heterogeneity and the existence of sunk costs in trade is done. Although most of the topics addressed why countries exchange goods and what is the source of gains from trade, we also briefly discuss the international movement of factors (migration flows and foreign direct investment) and the phenomenon of "outsourcing "International (or international fragmentation of value chains).

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

Basic knowledge of macroeconomics and microeconomics.

OUTCOMES

2242 - M.D. in Economics

- Gain the capacities of abstraction and logical reasoning that are essential for the creation of economic models: ability to express oneself using formal, graphic and symbolic languages, to apply analytical and mathematical methods to economics, and to relate and manipulate concepts according to a purpose.

- Acquire social skills to work in a team: capacity to coordinate activities, ethical and responsible commitment, leadership and mobilisation capacity, all of which are important for economic and team management.

- Know the role of the state in the analysis of markets and institutions.

- Know how to analyse the models of imperfect competition in the markets, both under certainty and under imperfect and incomplete information.

- Acquire rigorous and formalised knowledge of consumption and savings models, neoclassical growth models and business cycle theories.

LEARNING OUTCOMES

After completing the course students must be able:

• To know the databases and references required for the analysis of the evolution of the international economy.

• To read and understand the contents of major reports on international macroeconomic situation of the main international organizations: IMF, OECD, World Bank, WTO.

• To assess the form of measuring variables relating international trade.

• To Identify through the theoretical models explained the international trade gains that countries obtain through specialization.

• To assess the impact of trade openness on the welfare of countries.

DESCRIPTION OF CONTENTS

1. Introduction

World Trade and Investment: An overview

2. Labor Productivity and Comparative Advantage

3. Gains and losses from trade in the Specific-Factors Model

4. Resources and Trade: The H-O model

5. Imperfect competition and Trade

6. External Economies of Scale and international location of production.

7. International Movement of Factors. Labor, outsoucing and the MNEs.

8. The gravity equation of trade (theory and applications).

9. Tariff & Quotas under perfect and imperfect competition

10. Barriers to entry and exports: the extensive and intensive margins.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	40,00	100
Classroom practices	10,00	100
Development of group work	75,00	0
TOTAL	**125,00**	

TEACHING METHODOLOGY

MD 1 Lectures.

MD 2 The academic staff coordinates and directs group work in class for discussion of papers, case studies, use of laboratory estimates, use of laboratory experiments, problems, etc

MD 3 Attendance at activities outside the classroom: Invited seminars, conferences, company visits, debates, etc

EVALUATION

80% of the grade will come from a final exam.

20% of the grade will come from continuous assessment where conducting group activities will be evaluated.

REFERENCES

Basic

- International Trade. Robert Feenstra and Alan Taylor. Worth Publ Inc (2010).
- International Economics. Theory and Policy. Krugman, Obstfeld and Melitz. (11th Edition). 2017.Pearson.