International Trade

**Module Code:** 6SSPP362

**Module Convener and Lecturer:** Pierre-Louis Vézina (pierre-louis.vezina@kcl.ac.uk)

**Seminar Tutor:** No one this year

**Office Hours:**

**PL:** Tuesday 10-12, office S2.37

**Educational Aims**

This module provides an introduction to models of international trade and their predictions of trade patterns, with some consideration of empirical studies and policy issues. The goals of this module are to:

* Introduce students to classical and new theories of international trade
* Use examples and empirical evidence to introduce students to the methods most commonly used in the economic analysis of international trade.
* Enable students to engage with trade theory in a critical manner, understanding the arguments used both in favour and against trade liberalisation.

**Learning Outcomes**

By the end of the module the students will be able to:

* demonstrate general knowledge and understanding of international trade theory and policy
* understand and manipulate simple economic models, both graphically and analytically
* read and engage critically with the empirical literature on international trade

**Prerequisite** (Intermediate Microeconomics) or equivalent.

Assessment

Seminars, attendance and participation (10%)

Final exam, 2 hours, (90%)

**Readings:**

All compulsory readings are chapters from: **International Economics, Theory and Policy, Paul Krugman, Maurice Obstfeld, Marc J. Melitz., 9th or 10th Edition, Pearson.**

***Outline***

Week 1. **An overview of world trade, gravity, and borders: Chap 2**

Week 2. **Ricardian model of comparative advantage: Chap 3**

Week 3. **The specific factors model: Chap 4**

Week 4. **The Heckscher-Ohlin model: Chap 5**

Week 5. **Economies of scale and trade: Chap 7**

Week 6. **Monopolistic competition and trade: Chap 8**

Week 7. **Firms in the Global Economy: Chap 8**

Week 8. **Trade policy: Chap 9**

Week 9. **The political economy of trade policy: Chap 10**

Week 10. **Trade policy in developing countries: Chap 11**