



Universitat Autònoma
de Barcelona

INTERNATIONAL ECONOMICS

Number of sessions: 30

Length of each session: 1,5 h

Total length of the module: 45 hours

INTRODUCTION TO THE COURSE

International economics is divided into two broad subfields: international trade and international money. International trade focuses on transactions that involve a physical movement of goods - *real* transactions. On the other hand, international money focuses on financial transactions and refers to the *monetary* side of the international economy. This course deals with the first aspect of international economics, i.e. the real transactions and focuses on two main aspects of it: international trade theory and evidence and international trade policy.

REQUIREMENTS

Fluent in English

CONTENTS

Part I: International trade theory and evidence

1 World trade: an overview

- 1.1 What is international economics about?
- 1.2 Who trades with whom?
- 1.3 The changing pattern of world trade.

2 Labour productivity and comparative advantage: the Ricardian model

- 2.1 The concept of comparative advantage.
- 2.2 Trade in a world with one productive factor.
- 2.3 Misconceptions about comparative advantage.
- 2.4 Comparative advantage with many goods.
- 2.5 Empirical evidence.

3 Resources, comparative advantage, and income distribution

- 3.1 Model of an economy with two productive factors.
- 3.2 Effects of international trade in economies with two productive factors.
- 3.3 Empirical evidence.

4 The standard trade model



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- 4.1 A standard model of a trading economy.
- 4.2 Relative supply and demand.
- 4.3 Effects of economic growth.
- 4.4 Empirical evidence.

- 5 International factor movements
 - 5.1 International mobility of labour.
 - 5.2 International mobility of capital.
 - 5.3 Empirical evidence.

Part II: International trade policy

- 6 The instruments of trade policy
 - 6.1 Tariffs.
 - 6.2 Import quotas.
 - 6.3 Export subsidies.
 - 6.4 Empirical evidence.

- 7 The political economy of trade policy
 - 7.1 Arguments in favour of free trade.
 - 7.2 Arguments against free trade.
 - 7.3 Empirical evidence.

GRADING

Mid-term exam (30%): to be written in class. The exam will consist on five true or false questions and 5 multiple-choice questions on the material from the lectures and readings (book chapters).

Homework (20%): to be done individually. During the course there will be two assignments (no more than 2 pages) about some of the topics discussed in class.

Final Exam (50%): to be written in class. The exam will consist on five true or false questions and 5 multiple-choice questions on the material from the lectures and readings (book chapters).

BIBLIOGRAPHY

International Economics: Theory and Policy (7th edition), Paul R. Krugman and Maurice Obstfeld.