

International Economics



Master-Programme Economics



Institutes of the Department of Economics

- Institute for International Economics: Harald Badinger
- Institute for International Economics and Development: Ingrid Kubin

General

- Offered in winter and summer term
- Covers core topics of trade theory and international monetary economics (emphasis on trade theory)

Learning Objectives

- After this class students should have a sound knowledge of the main theories of international trade and exchange rate determination, understand their empirical implications, and be able to apply them to real world issues and questions of economic policy relevance.
- Focus: causes and consequences of trade and trade policy under perfect and imperfect competition

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Summer term 2019

Summer 2019:

- PI 5972 International Economics, Kubin/ Meyer
- PI 5973 Research & Policy Seminar: International Economics, Kubin/ Meyer
- Monday, 11.00-15:00, weekly, in English

Prerequisites

- Sound knowledge of microeconomics, macroeconomics, mathematics
Knowledge in econometrics is helpful

Contents

- Trade Theory
 - Causes and Consequences of Trade
 - Ricardo-, specific factor-, Heckscher-Ohlin-, new trade theory -models
 - Globalization: FDI, migration
- International Finance
 - Balance of Payments , Exchange rate determination (PPP theory, asset model, ER overshooting)

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Summer term 2019 – Overview

25.02.2019	Introduction; Microeconomic Foundations I: GE in Closed and Open Economies	
04.03.2019	Microeconomic Foundations II: Gains from Trade	
11.03.2019	Productivity Differences and Trade: Ricardo Model	
18.03.2019	Endowment Differences and Trade: Heckscher-Ohlin Model, Specific Factor Model	
25.03.2019	Mid-Term Test	Topic Inputs (13-15h)
01.04.2019	Imperfect Competition and Trade, Monopolistic Competition, Heterogeneous Firms	
08.04.2019	Trade Policy, Tariffs, Quotas under Perfect and Imperfect Competition	
Easter		
29.04.2019		Topic Inputs
06.05.2019	International Accounts, Balance of Payment	
13.05.2019	Exchange Rates	
20.05.2019	Final Test	Q&A session (13-15h)
27.5.2019		Q&A session
3.6.2019		Student Presentations
17.6.2019		Student Presentations
24.6.2019		Student Presentations

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■ Teaching Methods & Grading

- Lectures
- Mid-term test (35%), final test (35%)
- Two home assignments (each 5%)
- Presentations (20%) at the end of each unit: Current topics in international trade

■ Basic Literature

- MacDonald, R. (2007). Exchange Rate Economics: Theory and Evidence. London: Routledge.
- Markusen, J.R., Melvin, J.R., Kaempfer, W.H., and Maskus. K.E. (1995). International Trade: Theory and Evidence. New York et al.: MacGraw-Hill.
- Feenstra, R. (2014). Advanced International Trade. Princeton: Princeton University Press.
- Dixit, A. and Norman, V. (2002). Theory of international trade: a dual, general equilibrium approach. Reprint. Cambridge et al.: Cambridge University Press, 2002.
- Selected papers

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Summer term 2019 – Seminar

- Based on topics discussed in class
 - Groups of 2 to 3 students
 - Analyze one paper in detail
 - Replicate (part) of the result
 - Empirical or theoretical work
 - 20-30 minutes presentation
 - For each presentation there will be assigned discussants and an open discussion
 - Seminar paper: 10-15 pages
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- Possible to extend the seminar work further to a master thesis