

Specialisation

International Economics

WU

WIRTSCHAFTS
UNIVERSITÄT
WIEN VIENNA
UNIVERSITY OF
ECONOMICS
AND BUSINESS

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

International Economics

Winter term 2019/2020

Winter 2019/2020:

- PI 2013 International Economics, Badinger/ Meyer
- PI 2015 Research & Policy Seminar: International Economics, Badinger/ Meyer
- Monday, 10.00-14:00, 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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Winter term 2019/2020 – Overview

	Course	Seminar
07.10.2019	Introduction; International Accounts, Balance of Payment	
14.10.2019	Exchange Rates	
21.10.2019	Microeconomic Foundations I: GE in Closed and Open Economies	
28.10.2019	Microeconomic Foundations II: Gains from Trade	
04.11.2019	Mid-Term Test (11-13)	Introduction; Topic Inputs (13-15h)
11.11.2019	Productivity Differences and Trade: Ricardo Model	
18.11.2019	Endowment Differences and Trade: Heckscher-Ohlin Model, Specific Factor Model	Deadline Topic Choice
25.11.2019	Imperfect Competition and Trade, Monopolistic Competition, Heterogeneous Firms	
02.12.2019		Topic Pitch
09.12.2019	Trade Policy, Tariffs, Quotas under Perfect and Imperfect Competition	
16.12.2019	Final Test (11-13)	Q&A session (13-15h)
Christmas Break		
13.01.2020		Q&A session
20.01.2020		Student Presentations
27.01.2020		Student Presentations

International Economics

Winter term 2019/2020

■ Teaching Methods & Grading

- Lectures
- Mid-term test (30%), final test (30%)
- Two home assignments (each 10%)
- 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

International Economics

Winter term 2019/2020 – Seminar

- **Project work**
 - Groups of 2 to 3 students
 - Analyze one paper in detail
 - Replicate (part) of the result
 - Empirical or theoretical work
 - Based on topics discussed in class
 - 10 minutes presentation of project idea
 - 20-30 minutes presentation at the end of the semester
 - For each presentation there will be assigned discussants and an open discussion
 - Seminar paper: 12-16 pages

- Possible to extend the seminar work further to a master thesis