

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 2021/2022

Winter 2021/2022:

- PI 1561 International Economics, Badinger/Tusha
- PI 1562 Research & Policy Seminar: International Economics, Badinger/Tusha
- 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)

International Economics

Winter term 2021/2022 – Overview

	Course	Seminar
4.10.2021	Introduction; International Accounts, Balance of Payment	
11.10.2021	Exchange Rates	
18.10. 2021	Microeconomic Foundations I: GE in Closed and Open Economies	
25.10.2021	Microeconomic Foundations II: Gains from Trade	
8.11.2021	Productivity Differences and Trade: Ricardo Model	
15.11.2021	Mid-Term Test (10-11)	Introduction; Topic Inputs (11-14h)
22.11.2021	Endowment Differences and Trade: Heckscher-Ohlin Model, Specific Factor Model	<i>Deadline Topic Choice (individual group discussion before and after class)</i>
29.11.2021	Imperfect Competition and Trade, Monopolistic Competition, Heterogeneous Firms	
6.12.2021		Topic Pitch
13.12.2021	Trade Policy, Tariffs, Quotas under Perfect and Imperfect Competition	
20.12.2021	Final Test (10-11)	
Christmas Break		
10.1.2022		Q&A session
17.1.2022		Student Presentations
24.1.2022		Student Presentations

■ Teaching Methods & Grading

- Lectures
- Mid-term test (30%), final test (30%)
- Two home assignments (in groups) (each 10%)
- Presentations (in groups) (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 2021/2022 – 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 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