COURSE DESCRIPTION AND PREREQUISITES:

This course concentrates on international trade theory with a discussion of empirical evidence, where appropriate. The approach to the topics covered will be technical in nature. It is my goal that students after successfully completing this course will not only be able to successfully tackle the literature in the journal articles but will also be able to proceed further with a dissertation topic in international economics.

Students are expected to have either taken the graduate Micro Theory sequence or are currently attending the class. Students without those prerequisites are strongly discouraged from taking this course and are directed to the less theoretical alternative - Econ 283.

There are two textbooks referred to throughout the course along with a whole set of journal articles. The readings are marked as both required and suggested. The dates on the syllabus are planned presentation dates. We may be able to speed up or slow down depending on the complexity of the topic. Students are expected to read the material prior to the lectures.

COURSE REQUIREMENTS:

There will be a midterm and a final exam. The midterm exam will be on November 1, 2010 and the final exam will be on December 13, 2010. The midterm exam will count for 40% of the grade and the final exam will count for 60%. The format of the exams is usually take-home problems.

REQUIRED TEXTS:


OTHER RELEVANT REFERENCES:


Takayama, Akira.. *International Trade: An Approach to the Theory*. 1972


**MAJOR SURVEY ARTICLES:**


**IMPORTANT (OLD) COLLECTIONS:**

AEA, *Readings in the Theory of International Trade*, noted as RITT.

AEA. 1968. *Readings in International Economics*, noted as RIE.

READINGS AND LECTURE LIST

Readings marked with an asterisk should be considered as recommended readings in this course.

1. Introduction Trade and Welfare  
   **8/30**

   **Required:**


   Dixit and Norman, Chapters 1-3.
   Feenstra, Chapter 1.
   Lectures, Chapter 1.

2. Trade and Welfare  
   **9/13 — 9/20**

   **Required:**


   Dixit and Norman, Chapter 4.
   Feenstra, pp. 64-75, 83-88.


   **Recommended:**


### 3. The Ricardian Theory

**Required:**

Lectures, Chs. 2, 3 and 4.


**Recommended:**


4. Testing The Ricardian Theory

Feenstra, pp. 41-60, 76-83, 93-97.


5. The Heckscher-Ohlin-Samuelson Theory

Required:

Lectures, Chapters 5, 6, 8, 9 & 10.
Feenstra, Chapters 2 and 3.
Dixit and Norman, Chapter 4.


Helpman and Krugman, 1985, Chapter 1.

Recommended:


Jones and Neary, "The Positive Theory of International Trade", in Jones and Kenen.


**6. Testing the Heckscher-Ohlin-Samuelson Theory**

**Required:**


Leamer, Chapters 4 and 6.


**Recommended:**


Hunter L. and J. Markusen, “Per-Capita Income as a Determinant of Trade”, in Feenstra.


**MID-TERM EXAM**
7. Commodity Market Distortions

**Required:**

Lectures, Chs. 11, 21, 23, 24, & 30.
Feenstra, Chapter 5.


Krugman, P.R., “Increasing Returns, Imperfect Competition and the Positive Theory of International Trade,” in Grossman and Rogoff.


**Recommended:**


8. Theory of Protection 11/22 — 12/6

**Required:**

Lectures, Chapters. 12 - 16, 34 & 35.
Feenstra, Chapters 7, 8 and 9.


**FINAL EXAM**