



HSE St. Petersburg Economics and Management

Course Title: International trade

Course Coordinator: Sergey Kichko, Associate Professor

Credit Value: 3 ECTS

Contact hours: 36 (16 hours lectures and 20 hours seminars)

Runs in (2016/17): Semester 1, Quarter 2

Course Prerequisites: Empirical International Economics

Open to exchange students: yes/no (please select)

Course Outline

The main purpose of the International trade course for students is to study the evolution of trade ideas. First, we discuss stylized facts, importance of international trade, and forces that drive international trade. Second, we study the classical theory of international trade based on technological differences or comparative advantages, including Ricardo and Heckscher-Ohlin models. The theory explains inter-industry trade. Third, starting from the growing tendency of intra-industry trade, we discuss why inter-industry trade is profitable for firms (increasing returns to scale at the firm level) and enjoyable for consumers (love for variety). We focus on the baseline monopolistic competition model and its applications in international trade in detail. The next step is to discuss modern interpretations of classical trade models and consequences of trade under combining classical and new trade theory. Therefore, we are going to discuss the “new new” trade theory where firms are heterogeneous. The main focus of this part of the course is on firm-level changes under trade liberalization. To conclude, new effects will be discovered in the new trade models by allowing variable markups.

Assessment Methods

Methods:

The following learning methods are used in the course:

- lectures
- seminars
- take-home essays
- self-study

Grading:

- Homework contributes 20 percent of the grade
- Quizzes contribute 30 percent of the grade
- Participation and class discussions contribute 10 percent of the grade
- Final exam contributes 40 percent of the grade.