

**ECONOMICS 7122**  
**International Economics II**  
**Spring 2012**  
**9:35-10:55 TTh**

***TIBOR BESEDEŠ***

*Office:* 321 Old CE

*OFFICE HOURS:* Thursdays 2:00–4:00 and by appointment

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**Course Description:**

This course is designed to expose you to the current empirical research on various topics in international trade.

**Main Book:**

Feenstra, Robert C. 2004. *Advanced International Trade: Theory and Evidence*. Princeton: Princeton University Press.

**Supplementary Books:**

Bhagwati, Jagdish N., Arvind Panagariya, and T.N. Srinivasan. 1998. *Lectures on International Trade*, Second edition. Cambridge: MIT Press.

Dixit, Avinash K. and Victor Norman. 1980. *Theory of International Trade*. Cambridge, UK: Cambridge University Press.

Helpman, Elhanan and Paul Krugman. 1986. *Market Structure and Foreign Trade*. Cambridge: MIT Press.

Grossman, Gene and Kenneth Rogoff (eds). 1995. *Handbook of International Economics*, vol. 3. Amsterdam: Elsevier.

Choi, E. Kwan and James Harrigan (eds), 2003. *Handbook of International Trade*. Oxford, UK: Basil Blackwell Publishers.

**Grading:**

Your grade will be based on two in-class presentations (40%), assignments (30%), and a survey paper (30%).

You will choose two papers from a list you will be provided with which you will present in class. You will have the entire class period to present a single paper. These presentations are designed to mimic a seminar, to give you practice with that particular setting. In case you would prefer to present a paper which is not on the list, you can ask me so that I can see whether it is appropriate.

Assignments will come from the Feenstra textbook and largely consist of replicating some results the textbook discusses. You will be provided with all necessary data.

You will have to write a survey paper on a particular topic in international trade. You will be provided a list of suggested topics, though you will be able to suggest one of your own interest which I will need to approve. The goal of writing a survey paper is to develop skills necessary for summarizing papers and the ability to synthesize existing research on a topic. You will also have to provide two or three interesting questions which the literature has not addressed which you will determine based on your reading of the existing literature. The paper will be due on May 3. More information will be provided at a later date.

**Course Outline:**

The below outline is rough and lists only the topics covered by the Feenstra textbook. As it does not cover some important topics, those will be introduced as needed (with ample warning). We will use the Feenstra textbook for a historical overview of the literature and we will discuss recent/current papers to examine the latest research.

1. Ricardian Theories of Trade – Chapter 1
2. Heckscher-Ohlin Theories of Trade – Chapter 2, 3
3. Monopolistic Competition Models and Gravity Equation – Chapter 5
4. Firm Heterogeneity in International Trade – selection of papers
5. Import Tariffs and Dumping – Chapter 7
6. Gains from Trade and Regional Trade Liberalization – Chapter 6
7. Multinationals and Organization of the Firm – Chapter 11
8. Dynamics in International Trade – selection of papers
9. New Explorations – selection of papers