Theory of International Trade

The grade for this course will be based on occasional problem sets, a referee report, and a term paper.

The main references for this course is going to be
Other useful textbooks are

1. Theory of Comparative Advantage

(A) Ricardian Model
*Feenstra, Chapter 1

Bhagwati et al. Chapters 2 and 4
Dixit and Norman, chapter pp. 36-38.

(B) Heckscher-Ohlin Model
*Feenstra, chapters 2 and 3
*Findlay, R. Factor Proportions, Trade and Growth, MIT Press, 1995. Chapter 1

Bhagwati et al. Chapters 5 and 6.
Dixit and Norman, 1-19, 85-86, 93-122, 133-137.

(C) Specific Factors Model
*Feenstra, chapter 3, pp 71-75

Bhagwati et al. Chapter 7
Dixit and Norman, pp. 38-43, 122-125


(D) Gains from Trade
2. Empirical Tests of Trade Theory

*Feenstra, chapters 2 and 3


3. Trade Policy

(A) Instruments of Trade Policy
*Feenstra, chapters 7, 8
Dixit and Norman, chapter 5
*Bhagwati et al. Chapters 12, 13

(B) Political Economy of Trade Policy
*Feenstra, chapter 9


4. Economies of Scale and Trade

(A) Monopolistic Competition and Trade

*Feenstra, chapter 5

*Bhagwati et al. Chapter 11

*Dixit and Norman, Chapter 9


(B) Firm Heterogeneity and Trade


5. International Factor Mobility

*Feenstra, chapter 11

*Bhagwati et al. Chapters 32 and 33.

*Dixit & Norman, Chapter 5


6. Recent Developments in Trade Theory

(A) Trade, FDI and the Organization of Firms


(B) Trade and Unemployment