

**COURSE DATA****DATA SUBJECT****Code:** 36800**Name:** International economics**Cycle:** Undergraduate Studies**ECTS Credits:** 6**Academic year:** 2025-26**STUDY (S)**

Degree	Center	Acad. year	Period
1933 - Double Degree in Law and Economics_2022	Facultat d'Economia	4	First quarter, Annual

SUBJECT-MATTER

Degree	Subject-matter	Character
1933 - Double Degree in Law and Economics_2022	Asignaturas de cuarto curso	COMPULSORY

COORDINATION

GIL PAREJA SALVADOR

SUMMARY

International Economics is a compulsory semester subject taught in the fourth year of the double degree in Law and Economics. The aim of the course is to familiarize students with the international economic reality and provide them with analytical tools that will enable them to study the international economic environment through the use of the main sources of statistical information and the most commonly used economic indicators. The content of the course is structured around eight subjects. In the first one, the subject is introduced, the main features of international trade are analyzed and the so-called gravity model of international trade is presented. Topics 2, 3, 4 and 5 explain the main models of international trade, highlighting the origins of international trade and the advantages of free trade between countries. This is followed by an analysis of the main instruments of trade policy and the role and effects of the main international organizations in the field of trade in topic 6. In theme 7, international factor movements are studied. Finally, topic 8 discusses the functioning of foreign exchange markets and the main explanatory theories of exchange rate determination.

PREVIOUS KNOWLEDGE**RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

No enrolment restrictions with other subjects in the curriculum have been specified.



Basic knowledge of mathematics, micro and macroeconomics and English.

COMPETENCES / LEARNING OUTCOMES

DESCRIPTION OF CONTENTS

1. TRADE PATTERNS AND DETERMINANTS OF TRADE FLOWS BETWEEN COUNTRIES

- 1.1. Introduction
- 1.2. Key features of international trade
- 1.3. Eras of globalization
- 1.4. The gravity equation of international trade.

Practical exercises:

Practical 1.1.- The Balance of Payments and the Position of International Investment.

Practical 1.2.- The Balance of Payments and the Position of International Investment. Statistical data.

Practical 1.3.- The main features of Spanish foreign trade. <http://www.bde.es>

Basic bibliography:

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics: Theory and Policy. 10th edition. Pearson, chapters 1 and 2.

International Monetary Fund: <http://www.imf.org>

World Trade Organization: <http://www.wto.org>

2. THE GAINS FROM TRADE. THE STANDARD TRADE MODEL

- 2.1.- Introduction. Basic concepts.
- 2.2.- The gains from trade.

Practical: Exercises on the standard model of trade.

Basic bibliography:

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics: Theory and Policy. 10th edition. Pearson, chap. 6.

Caves, R.E., Frankel, J.A. and Jones, R.W. (1999); chapter 2, pages 14-19, chapter 3, pages 32-36.



3. LABOUR PRODUCTIVITY AND COMPARATIVE ADVANTAGE: THE RICARDIAN MODEL

3.1.- An economy with one productive factor: the production possibilities frontier, relative prices and supply and supply.

3.2.-Trade in a world with one productive factor: Absolute advantage and comparative advantage.

3.3.-Extensions.

Practical exercises: Exercises on the Ricardian model.

Basic bibliography:

Krugman, P.K., Obstfeld, M. i M. Melitz (2016): International Economics: Theory and Policy. 10^a edició. Pearson, chapter 3.

Caves, R.E., Frankel, J.A. and Jones, R.W. (1999); chapter 2, pages 14-19, chapter 3, pages 32-36.

4. FACTOR ENDOWMENTS AND TRADE: THE HECKSCHER-OHLIN MODEL

4.1.- The Model of a two-factor economy.

4.2.- The effects of international trade between two-factor economies.

Practical: Exercises on the Heckscher-Ohlin model.

Basic bibliography:

Krugman, P.K. and Obstfeld, M. (1995): International Economics: Theory and Policy. McGraw-Hill, chapter 4, pages 77-92.

5. ECONOMIES OF SCALE, IMPERFECT COMPETENCE AND INTERNATIONAL TRADE

5.1.- Economies of scale and international trade.

5.2.- Monopolistic competition and trade.

5.3 External economies and international trade.

Practical: Cases and exercises on trade and economies of scale.

Basic bibliography:

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics: Theory and Policy. 10th edition. Pearson, chap. 7 and 8.



6. TRADE POLICY INSTRUMENTS AND INSTITUTIONS

- 6.1.- Basic analysis of the tariff.
- 6.2.- The costs and benefits of the tariff.
- 6.3.- The effective rate of protection and the nominal rate of protection.
- 6.4.- Other trade policy instruments.
- 6.5.- Multilateral trade system and regional trade agreements.

Practical exercises: Practical exercises on trade policy.

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics: Theory and Policy. 10th edition. Pearson, chapters 9 and 10.

7. INTERNATIONAL FACTOR MOVEMENTS

- 7.1.- International labor mobility.
- 7.2.- Foreign direct Investment and multinational companies.
- 7.3.- Global value chains.

Basic bibliography:

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics. Theory and Policy. 10a ed. Pearson, cap. 4, pp. 69-72, cap. 8, pp. 172-173, 182-189.

8. EXCHANGE RATES AND FOREIGN EXCHANGE MARKETS

- 8.1.- Exchange rates and international transactions.
- 8.2.- Exchange rates and the foreign exchange market. An asset approach.
- 8.3.- The determination of long-term exchange rates. Purchasing power parity.

Practical: Practical exercises on exchange rates.

Krugman, P.K., Obstfeld, M. and M. Melitz (2016): International Economics: Theory and Policy. 10th ed. Pearson, chapters 14 and 16.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theoretical and practical classes	60,00
Total hours	60,00

**NON PRESENCIAL ACTIVITIES**

Activity	Hours
Attendance at other activities	0,00
Individual or group project	30,00
Independent study and work	0,00
Preparation of lessons	60,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	90,00

TEACHING METHODOLOGY

Participative lectures, to present the essential theoretical content in the classroom. Practical classes, relating to problem solving, case studies, etc., with the application of techniques, oral presentations, debates, individually and/or in teams.

Autonomous supervised work based on the reading and evaluation of reports, carrying out exercises and/or projects individually and/or in teams.

Independent study by students and performance of written and/or oral tests.

EVALUATION

The subject will be assessed on the basis of the following double procedure:

The written exam, where the questions will have a theoretical or theoretical-practical character. The result of the exam will count for 80% of the final mark.

The continuous assessment of the student, based on his/her participation and involvement in the teaching-learning process, will be valued at 20% of the final mark. Continuous assessment activities are not considered to be recoverable due to the nature of the assessment itself.

A MINIMUM MARK OF 5 IN THE EXAM WILL BE REQUIRED TO PASS THE COURSE.

REFERENCES

- Krugman, P.K., Obstfeld, M. y M. Melitz (2016): *Economía Internacional: Teoría y Política*. 10ª edición. Pearson.
- Caves, R.E., Frankel, J.A. i Jones, R.W. (1999): *World trade and payments: An introduction*. Addison Wesley. - Bengochea, A. Camarero, M. Cantavella, M i Martínez, I. (2002) *Economía Internacional. Cuestiones y Ejercicios resueltos*. Prentice Hill - Banco de España (Boletín Económico, Boletín Estadístico, Informes de Coyuntura): <http://www.bde.es> - Ministerio de Economía: <http://www.meh.es/es-ES/Paginas/Home.aspx> ó <http://www.meh.es/> - Instituto



Nacional de Estadística: <http://www.ine.es> - Eurostat: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home> - Organización Mundial de Comercio: <http://www.wto.org> - Fondo Monetario Internacional: <http://www.imf.org> - Banco Mundial: <http://www.worldbank.org>