

**COURSE DATA****DATA SUBJECT**

Code: 44954
Name: International Trade
Cycle: Master's Degree
ECTS Credits: 5
Academic year: 2025-26

STUDY (S)

Degree	Center	Acad. year	Period
2242 - Master's Degree in Economics	Facultat d'Economia	1	Second quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
2242 - Master's Degree in Economics	Materia analítico-conceptual	ELECTIVES

COORDINATION

REQUENA SILVENTE FRANCISCO

SUMMARY

The purpose of the International Trade course is the study of the theoretical models that help us to understand why countries trade, and in each case, what is the source of gain from trade. This course explores the first "classical" theories of free trade with constant returns to scale. The following addresses the "New Trade Theory" which explores the role of economies of scale in trade. Finally a presentation of the theoretical models developed in the framework of the "New-New Trade Theory," which examines the role of firm heterogeneity and the existence of sunk costs in trade is done. Although most of the topics addressed why countries exchange goods and what is the source of gains from trade, we also briefly discuss the international movement of factors (migration flows and foreign direct investment) and the phenomenon of "outsourcing" International (or international fragmentation of value chains).

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

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

OTHER REQUIREMENTS

Basic knowledge of macroeconomics and microeconomics.



COMPETENCES / LEARNING OUTCOMES

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Acquire rigorous and formalised knowledge of consumption and savings models, neoclassical growth models and business cycle theories.

Acquire social skills to work in a team: capacity to coordinate activities, ethical and responsible commitment, leadership and mobilisation capacity, all of which are important for economic and team management.

Gain the capacities of abstraction and logical reasoning that are essential for the creation of economic models: ability to express oneself using formal, graphic and symbolic languages, to apply analytical and mathematical methods to economics, and to relate and manipulate concepts according to a purpose.

Know how to analyse the models of imperfect competition in the markets, both under certainty and under imperfect and incomplete information.

Know the role of the state in the analysis of markets and institutions.

DESCRIPTION OF CONTENTS

1. Introduction

World Trade and Investment: An overview

2. Labor Productivity and Comparative Advantage

3. Gains and losses from trade in the Specific-Factors Model

4. Resources and Trade: The H-O model

5. Imperfect competition and Trade



- 6. External Economies of Scale and international location of production.
- 7. International Movement of Factors. Labor, outsourcing and the MNEs.
- 8. The gravity equation of trade (theory and applications).
- 9. Tariff & Quotas under perfect and imperfect competition
- 10. Barriers to entry and exports: the extensive and intensive margins.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	40,00
Classroom practices	10,00
Total hours	50,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	75,00
Independent study and work	0,00
Preparation of lessons	0,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
Total hours	75,00

TEACHING METHODOLOGY

MD 1 Lectures.

MD 2 The academic staff coordinates and directs group work in class for discussion of papers, case



studies, use of laboratory estimates, use of laboratory experiments, problems, etc

MD 3 Attendance at activities outside the classroom: Invited seminars, conferences, company visits, debates, etc

EVALUATION

80% of the grade will come from a final exam.

20% of the grade will come from continuous assessment where conducting group activities will be evaluated.

REFERENCES

- International Trade. Robert Feenstra and Alan Taylor. Worth Publ Inc (2010).
- International Economics. Theory and Policy. Krugman, Obstfeld and Melitz. (11th Edition). 2017. Pearson.