COURSE CONTENT

Course Coordinator
Chen Xiaoping

Course Code
HE2013

Course Title
International Trade

Pre-requisites
HE1001 Microeconomics Principles/
HE9091 Principles of Economics/
AB0901 Principles of Economics: A Singapore Perspective

No of AUs
3

Contact Hours
39 hours (3 hours per week; 2 hours lecture and 1 hour tutorial)

Course Aims
This course will explain why and how trade happens by introducing the principle of comparative advantage, the Ricardian model, the specific-factors model, the Heckscher-Ohlin theory, the gains from trade, and other new trade theories. The effects of international trade, migration, foreign direct investment and offshoring will then be discussed. Both theoretical foundations and practical examples will be presented along the way. Based on these, this course will further discuss about international trade policies, effective protection, instruments and impacts of trade policies, along with the political economy of trade policy and international agreements. This course will be mostly introductory and most of the theories will be illustrated by graphic tools instead of mathematical derivations. However, certain minimum math technique is required, such as basic calculus and derivatives with application to simple maximization problems. We will have some quantitative exercises when discussing the optimal trade policies and welfare.

Intended Learning Outcomes (ILO)
Using the tools of microeconomic analysis, students will be able to

1. Explain the origins and patterns of international trade as well as the welfare and distributional impacts of trade among various groups in the economy, such as gains and losses in trade.
2. Describe the controversies in real world trade policies, such as the debates between protection and free trade. Comment on some of the current trade policy issues
3. Offer insights based on economic principles on the dynamics of the global economy as well as the current and future state of international economic order.

Course Content
Here is a list of topics to be discussed in this module:
1. Overview of Trade in the Global Economy
2. The Ricardian Model: Comparative Advantage
3. The Specific-Factors Model
4. The Heckscher-Ohlin Model
5. Migration and Foreign Direct Investment
6. Offshoring
7. Imperfect Competition
8. Instruments of Trade Policy; The Political Economy of Trade Policy
9. International Agreements
10. Trade Policy in Developing Countries, Trade with Growth
Assessment (includes both continuous and summative assessment)

1. CA1 : 15%
2. CA2 : 25%
3. Final Examination : 60%

Total : 100%

Reading and References

Feenstra, Robert C. and Alan M. Taylor, International Trade (2e), Worth Publishers, 2012. (Note: The first edition of this textbook will also work.)


Course Instructors

<table>
<thead>
<tr>
<th>Instructor</th>
<th>Office Location</th>
<th>Phone</th>
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<tbody>
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Planned Weekly Schedule

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