

International Trade

Code: 102475
ECTS Credits: 6

Degree	Type	Year	Semester
2501573 Economics	OT	3	2
2501573 Economics	OT	4	1
2504216 Contemporary History, Politics and Economics	OT	3	2
2504216 Contemporary History, Politics and Economics	OT	4	1
2504216 Contemporary History, Politics and Economics	OT	4	2

Contact

Name: Ricard Esparza Masana
Email: ricard.esparza@uab.cat

Use of Languages

Principal working language: english (eng)
Some groups entirely in English: Yes
Some groups entirely in Catalan: No
Some groups entirely in Spanish: No

Prerequisites

Recommended UAB courses (for UAB students): Mathematics I, Mathematics II, Microeconomics I, Microeconomics II, International Economics

Recommended general (for exchange students): courses on intermediate economic theory and knowledge of basic mathematic tools

Objectives and Contextualisation

The course covers the main theoretical models on international trade. The course aims at:

1. Developing the concept of comparative advantage as a key aspect for commerce.
2. Understanding the role of the endowment of factors for the development of international trade.
3. Analysing the behaviour of firms regarding the opportunities and challenges that trade presents in a globalised world.
4. Understanding the different mechanisms available to governments to regulate international trade.
5. Studying the logic of political decisions in terms of international trade and their economic and political impact.

Competences

- Economics
 - Capacity for adapting to changing environments.

- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate thorough understanding of concepts related to international trade.
- Lead multidisciplinary and multicultural teams, implementing new projects and coordinating, negotiating and managing conflicts.
- Organise the work in terms of good time management, organisation and planning.
- Students must be capable of applying their knowledge to their work or vocation in a professional way and they should have building arguments and problem resolution skills within their area of study.
- Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
- Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
- Students must develop the necessary learning skills in order to undertake further training with a high degree of autonomy.
- Students must have and understand knowledge of an area of study built on the basis of general secondary education, and while it relies on some advanced textbooks it also includes some aspects coming from the forefront of its field of study.
- Take decisions in situations of uncertainty, demonstrating an entrepreneurial and innovative attitude.
- Use of the available information technology and adaptation to new technological environments.
- Use theoretical models to analyse open macroeconomies.
- Work well in a team, being able to argue proposals and validate or reject the arguments of others in a reasoned manner.

Contemporary History, Politics and Economics

- Distinguish between and analyse the type of relations that have been established over the last century among the different social, political and economic agents on national, regional and international frameworks.
- Identify the fundamental analytical principles in international economics, globalisation of market and processes of economic integration.
- Manage and apply data to solve problems.
- Students must be capable of applying their knowledge to their work or vocation in a professional way and they should have building arguments and problem resolution skills within their area of study.
- Students must develop the necessary learning skills to undertake further training with a high degree of autonomy.
- Work cooperatively in multidisciplinary and multicultural teams implementing new projects.

Learning Outcomes

1. Analyse a Balance of Payment.
2. Analyse the balance, in terms of welfare, of different commercial policies.
3. Analyse the impact of a change in resources on international trade, and incorporate the relationship between growth and international trade.
4. Capacity to adapt to changing environments.
5. Consider the impact of different commercial policies (fees, duties, subsidies, etc.) on international equilibrium.
6. Convey the diversity of products with imperfect competition and returns to scale.
7. Convey the structure of political institutions with trade policies.
8. Demonstrate capacity to adapt to changing environments.
9. Demonstrate initiative and the capacity to work autonomously when the situation requires.
10. Demonstrate initiative and work independently when required.
11. Find trade patterns according to comparative advantages.
12. Identify classical and modern theories of international commerce and the associated empirical evidence.
13. Identify comparative advantages.
14. Identify the determining factors in direct foreign investments and international migration as well as their socio-economic impact in the country of origin and destination.
15. Identify the links that condition relations of international free trade and, in general, limit the globalisation process.

16. Lead multidisciplinary and multicultural teams, implement new projects, coordinate, negotiate and manage conflicts.
17. Make decisions in situations of uncertainty and show an enterprising and innovative spirit.
18. Organise work in relation to good time management and planning.
19. Organise work, in terms of good time management and organisation and planning.
20. Recognise the determining principles in business internationalisation processes.
21. Recognise the groups of agents that benefit from trade and the groups of agents that are harmed by international trade.
22. Recognise the role of history and/or foreign economies on trade patterns.
23. Relate theories and institutions to international trade regulation.
24. Students must be capable of applying their knowledge to their work or vocation in a professional way and they should have building arguments and problem resolution skills within their area of study.
25. Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
26. Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
27. Students must develop the necessary learning skills in order to undertake further training with a high degree of autonomy.
28. Students must have and understand knowledge of an area of study built on the basis of general secondary education, and while it relies on some advanced textbooks it also includes some aspects coming from the forefront of its field of study.
29. Understand the main aspects behind the choice of an exchange-rate regime.
30. Understand the main indicators of competitiveness in countries.
31. Use available information technology and be able to adapt to new technological settings.
32. Use of the available information technology and adaptation to new technological environments.
33. Work as part of a team and be able to argue own proposals and validate or refuse the arguments of others in a reasonable manner.

Content

PART I: THEORY ON INTERNATIONAL TRADE

1. Absolute and comparative advantage. The Ricardian model
2. The specific factors model and the distribution of income
3. Initial endowments and trade. The Heckscher-Ohlin model. The Stolper-Samuelson theorem
4. Firms' behaviour in front of international trade

PART II: POLICIES AND INSTRUMENTS IN INTERNATIONAL TRADE

5. Tariffs and other instruments of international trade
6. International trade policies
7. An introduction to the role of the exchange rate

Methodology

Combination of both theoretical and practical approaches, including: theoretical lectures, supervised study, problem solving, preparation of individual and group activities and presentations, and office hours follow-up.

The proposed teaching methodology may undergo some modifications according to the restrictions imposed by the health authorities on on-campus courses.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Classes with the main instructor	32.5	1.3	2, 3, 13, 5, 22, 21, 11, 6
Problem sets and other activities	17	0.68	2, 3, 4, 13, 10, 16, 19, 5, 17, 22, 21, 33, 11, 31, 6
Type: Supervised			
Office hours	2.5	0.1	2, 3, 4, 13, 10, 16, 19, 5, 17, 22, 21, 33, 11, 31, 6
Type: Autonomous			
Problem solving and preparation of activities	30	1.2	2, 3, 4, 13, 10, 16, 19, 5, 17, 22, 21, 33, 11, 31, 6
Study	53	2.12	2, 3, 13, 10, 19, 5, 22, 21, 11, 31, 6

Assessment

The course evaluation will consist in several evaluative activities. These activities and their share on the final grade are:

60% exams + 20% group activities + 20% individual activities

To pass the course, you must obtain a grade of 4/10 on the weighted average of the mid-term exams. If this mark is not obtained, students will be able to take an exam that will include the entire syllabus of the course and will also have to obtain a 4/10. If you do not reach it in this exam either, you will not pass the course (if the average of the other activities makes the weighted mark exceed 5, the record will show 4.9 - no pass). Students with a grade of 4 or higher may be also eligible (prior approval of the professor) for this whole-syllabus exam if they wish to improve their grade.

If applying the above mentioned weights the qualification of the student is 5/10 or higher, the course is considered passed and this will not be subject to a new evaluation. In the case of a grade less than 3.5/10, the student will not pass the course. For those students who have obtained a grade that is equal to or greater than 3.5/10 and less than 5/10, there will be a retake exam. The retake exam grade will be qualitative and will only have two possible outputs: PASS or NO PASS. If the student obtains a PASS grade, they will pass the course with a numerical grade equal to 5/10. If the student gets a NO PASS score, the final grade will be equal to the one obtained before the retake exam.

A student is considered to be "Not evaluated" for the subject if he/she has not participated in any of the course activities. Therefore, if a student attends one or more evaluation, he/she can no longer opt for a "Not evaluated".

Those students who take the course for the second, third or fourth time have the option to follow the continuous evaluation (see weights above) or to just solve the final exam, in which case the exam's result will be the final grade (100% of the evaluation).

Calendar of evaluation activities

The dates of the evaluation activities (exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester. Only exams can be rescheduled (under specific rules of the Faculty - see below); other evaluation activities (which represent a minor share of the final grade) will not be rescheduled under any circumstance.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB).** Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an Application for exams' reschedule

https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." Section 3 of Article 112 ter. The recovery (UAB Academic Regulations). Additionally, it is required that the student to have achieved an average grade of the subject between 3.5 and 4.9.

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0"*. **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

NOTE related to the situation regarding COVID-19: *The proposed evaluation activities may undergo some changes according to the restrictions imposed by the health authorities on on-campus courses.*

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exams	60%	5	0.2	2, 3, 1, 30, 29, 13, 14, 15, 12, 5, 22, 21, 20, 23, 11, 7, 6
Other evaluation activities	40%	10	0.4	2, 3, 1, 4, 30, 8, 9, 29, 13, 14, 15, 12, 10, 16, 18, 19, 5, 17, 28, 27, 26, 24, 25, 22, 21, 20, 23, 33, 11, 31, 32, 7, 6

Bibliography

Main texts:

International economics: Theory and policy
Krugman, Obstfeld and Melitz
Pearson, 2018 (11th edition)

International trade
Feenstra and Taylor
Macmillan Higher Education, 2020 (5th edition)

Software

No specific software requirements.