

Shyama Prasad Mukherji College
Teaching Plan for July – November 2022

Course and Year: Eco (H)/ III year

Semester: Fifth

Taught Individually or Shared: Individually

Paper: International Trade

Faculty: Richika Rana

No. of Classes (per week): 5

Teaching Plan
<p>Unit I: <i>Introduction: What is international economics about? An overview of world trade. Stylized facts about international trade</i></p> <p>Readings</p> <p>1.1 Feenstra, R., Taylor, A. (2014). Ch 1, pp1-25. <i>International economics</i>, 3rd ed. Worth Publishers.</p> <p><u>Timescale:</u> within 4th week of July</p> <p>Unit II: <i>Neoclassical trade theories</i></p> <p>Readings</p> <p>2.1 Ricardian trade theory (notion of comparative advantage and gains from trade due to specialisation)</p> <p>Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 3, pp 52-78. <i>International Economics - Theory and Policy</i>, 11th ed. Pearson Education.</p> <p><u>Timescale-</u> within 4th week of July</p> <p>2.2 Specific factor model; international movement of factors, standard trade model</p> <p>Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 4, pp 79-114. <i>International Economics - Theory and Policy</i>, 11th ed. Pearson Education.</p> <p><u>Timescale-</u> within 1st week of August</p> <p>Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 6, pp 151-178. <i>International Economics - Theory and Policy</i>, 11th ed. Pearson Education.</p> <p><u>Timescale-</u> within 2nd week of August</p>

2.3 Heckscher-Ohlin theory; Heckscher-Ohlin theorem; factor price equalisation, Rybczynski and Stolper-Samuelson theorems, Heckscher- Ohlin-Vanek Model

Gandolfo,G.(2014). Ch 4, pp 63-86, 90-91, 97-99. *International Trade Theory and Policy* (with contribution from Federico Trionfetti), 2 nd ed. Springer.

Gandolfo,G.(2014). Ch 5, pp 103-108. *International Trade Theory and Policy* (with contribution from Federico Trionfetti),2 nd ed. Springer.

Timescale- 3rd week of August 1st week of September

Unit III: New trade theories

Readings

3.1 Gravity model, external economies of scale, internal economies of scale; the Krugman model

Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 2, pp 39-41.*International Economics - Theory and Policy*,11th ed.Pearson Education.

Timescale: within 2nd week of September

Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 7, pp 179-197.*International Economics - Theory and Policy*,11th ed. Pearson Education.

Timescale: within 3rd week of September

3.2 firm heterogeneity; introduction to the theory of multinational firms and FDI, Offshoring of Goods and Services

Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 8, pp 198-242.*International Economics - Theory and Policy*,11th ed. Pearson Education.

Timescale: within 4th week of September

Feenstra, R., Taylor, A. (2014). Ch 7, pp197-232.*International economics*,3rd ed. Worth Publishers.

Timescale: within 2nd week of October

Unit IV: Trade Policy (Richika Rana)

Readings

4.1 Instruments of trade policy; tariffs, quotas, export subsidies, voluntary export restraints. The economics of trade policy

Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 9, pp 243-273. *International Economics - Theory and Policy*, 11th ed. Pearson Education.

Timescale: within 2nd week of October

4.2 Political economy of trade policy.

Krugman, P., Obstfeld, M., Melitz, M. (2018). Ch 10, pp 274-282. *International Economics - Theory and Policy*, 11th ed. Pearson Education.

Timescale- within 3rd week of October.

Feenstra, R., Taylor, A. (2014). Ch 10, pp 327-366 *International economics*, 3rd ed. Worth Publishers.

Timescale- 3rd week of October to 4th week of October.

Gandolfo, G. (2014). Ch 10, pp 245-250. *International Trade Theory and Policy* (with contribution from Federico Trionfetti), 2nd ed. Springer.

Timescale- within 4th week of October.

4.3 International Agreements: Trade, Labour, and the Environment

Feenstra, R., Taylor, A. (2014). Ch 11, pp 367-410. *International economics*, 3rd ed. Worth Publishers.

Timescale- within 1st week of November

Gandolfo, G. (2014). Ch 12, pp 277-295. *International Trade Theory and Policy* (with contribution from Federico Trionfetti), 2nd ed. Springer.

Timescale- within 2nd week of November

Gandolfo, G. (2014). Ch 3, pp 43-53. *International Trade Theory and Policy* (with contribution from Federico Trionfetti), 2nd ed. Springer.

Timescale- within 2nd week of November.

Additional sources:

1) Krugman, P. R., & Obstfeld, M. (2009). *International economics: Theory and policy*. Pearson Education.

- 2) Mansfield, E. D., & Milner, H. V. (2012). *Votes, vetoes, and the political economy of international trade agreements*. Princeton University Press.
- 3) Salvatore, D. (2012). *Introduction to international economics*. Wiley.
- 4) Acharyya, R., & Kar, S. (2014). *International trade and economic development*. Oxford University Press, USA.
- 5) Batabyal, A. A., & Beladi, H. (Eds.). (2001). *The economics of international trade and the environment*. CRC Press.

Utility of additional reference material- The material can be referred to for deeper understanding of models that try to explain the composition, direction, and consequences of international trade, and the determinants and effects of trade policy. And study the causes and consequences of the rapid expansion of international financial flows in recent years through real world examples and case studies.

Methodology of Teaching:

Interactive Lectures along with Tutorials for problem solving. Utilization of e-platforms like WhatsApp, Google Drive.

<https://drive.google.com/folderview?id=1kgoqTBZHslZ7e3WawqUEjctTTmO4Tpg0>

ASSESSMENT

Internal Assessment as per LOCF rules.

Dates of assessments:

1. 31st August 2022
2. 13th September 2022
3. 1st October Assignment

Criteria of Assessment: Clarity and understanding of concepts tested through class tests.

I have adhered to the above-mentioned teaching plan and have completed the course on time.



RICHIKA RANA