

UNIVERSITY OF COLORADO
BOULDER, COLORADO

Economics 4413
International Trade

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PART I: TECHNICAL TOOLS AND THE GAINS FROM TRADE

In this part of the course, we develop and review basic tools of microeconomic theory that we will use throughout the course.

1. Supply and Production Possibilities
MMKM, Chapters 1 and 2.
2. Preferences, Demand, and Welfare
MMKM, Chapter 3.
3. General Equilibrium in Open and Closed Economics
MMKM, Chapter 4.
4. The Gains from Trade
MMKM, Chapter 5.

PART II: DETERMINANTS OF TRADE

This section analyzes the different underlying causes of international trade and the gains from trade.

1. Differences in Technology between Countries.
MMKM, Chapters 6 and 7.
Skip section 5, chapter 7.
2. Differences in Factor Endowments between Countries.
MMKM, Chapters 8 and 9.
Skip section 6, chapter 8.
3. Government Policies as Determinants of Trade.
MMKM, Chapter 10.
Skip sections 4 and 5.
4. Imperfect Competition as a Determinant of Trade.
MMKM, Chapter 11.
Skip section 4.
5. Increasing Returns to Scale.
MMKM, Chapter 12.
Skip sections 5 and 6.
6. Preferences and Income as Determinants of Trade.
MMKM, Chapter 13.

PART III: TRADE POLICY

This part of the course analyzes the principal tools that governments use to influence trade. We analyzed the effects of the policies and try to understand the reasons that governments choose the policies they do.

1. Tariffs
MMKM, Chapter 15.
Skip section 7.
2. Quotas
MMKM, Chapter 16.
Skip section 5.
3. Imperfect Competition, Increasing Returns, and Strategic Trade Policy.
MMKM, Chapter 17.
Skip section 4.
4. Preferential Trade Areas
MMKM, Chapter 18.
Sections 1 and 2 only.
5. The Political Economy of Trade Policy
MMKM, Chapter 19.

PART IV: FACTOR TRADE AND DIRECT FOREIGN INVESTMENT

The final section of the course looks at trade in factors of production and direct foreign investment by multinational firms.

1. Trade in Factors of Production
MMKM, Chapter 21.
Skip sections 2 and 5.
2. Direct Foreign Investment
MMKM, Chapter 22.
Skip section 4.
3. Intertemporal Trade
MMKM, Chapter 23.
Section 1 only.

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