

<b>Module title</b>		<b>Abbreviation</b>
International Trade and the Multinational Firm		12-M-ITMF-141-m01
<b>Module coordinator</b>		<b>Module offered by</b>
holder of the Chair of International Macroeconomics		Faculty of Business Management and Economics
<b>ECTS</b>	<b>Method of grading</b>	<b>Only after succ. compl. of module(s)</b>
5	numerical grade	--
<b>Duration</b>	<b>Module level</b>	<b>Other prerequisites</b>
1 semester	graduate	--
<b>Contents</b>		
<p>Description: The course starts out with theories of international trade based on comparative advantage (Ricardo and Heckscher-Ohlin) followed by theories based on monopolistic and oligopolistic competition to explain intra-industry trade. The final part covers firm heterogeneity and multinational firms.</p> <p>Outline of syllabus:</p> <ol style="list-style-type: none"> <li>1. Structure of the lecture</li> <li>2. Ricardian trade theory</li> <li>3. Heckscher-Ohlin trade theory</li> <li>4. The general neoclassical model</li> <li>5. Sector-specific factors: the Ricardo-Viner model</li> <li>6. New trade theory: intra-industry trade, increasing returns to scale and imperfect competition</li> <li>7. Firm heterogeneity, trade and FDI</li> <li>8. The multinational firm</li> </ol> <p>Reading: Barba Navaretti, G. and A.J. Venables (2004), <i>Multinational Firms in the World Economy</i>. Princeton University Press Caves, R., R.W. Jones and J.A. Frankel (2007), <i>World Trade and Payments</i>. Addison Wesley. Feenstra, R.C. (2004), <i>Advanced International Trade. Theory and Evidence</i>. Princeton University Press. Gandolfo, G. (1998), <i>International Trade Theory and Policy</i>. Springer-Verlag, Berlin and New York. Helpman, Elhanan (2011), <i>Understanding Global Trade</i>, Harvard University Press. Markusen, J.R., J.R. Melvin, W.H. Kaempfer, K. E. Maskus (1995), <i>International Trade</i>, McGraw-Hill. A detailed list of references with further references, journal articles in particular, will be provided with each chapter of the lecture.</p>		
<b>Intended learning outcomes</b>		
The students acquire the ability to critically understand the causes and drivers of world trade and the developments of specialization patterns in the global economy. They learn to analyze, discuss and defend these developments and to apply the tools and methods to evaluate controversies associated with the ongoing deepening of the international division of labor, in particular the repercussions of the global economy on national economies.		
<b>Courses</b> (type, number of weekly contact hours, language – if other than German)		
V + Ü (no information on SWS (weekly contact hours) and course language available)		
<b>Method of assessment</b> (type, scope, language – if other than German, examination offered – if not every semester, information on whether module is creditable for bonus)		
a) written examination (approx. 60 minutes) or b) term paper (approx. 15 pages) Language of assessment: German, English		
<b>Allocation of places</b>		
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<b>Additional information</b>		
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**Workload**

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**Teaching cycle**

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**Referred to in LPO I** (examination regulations for teaching-degree programmes)

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**Module appears in**

Master's degree (1 major) Media Communication (2014)

Master's degree (1 major) Business Management (2014)

Master's degree (1 major) Economics (2014)