

<b>Module title</b>		<b>Abbreviation</b>
International Trade and the Multinational Firm		12-M-ITMF-242-m01
<b>Module coordinator</b>		<b>Module offered by</b>
Holder of the Chair of International Economics		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><u>Content</u></p> <p>The lecture 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. [If time permits the Armington model and the standard neoclassical model will be addressed.]</p> <p><u>Outline</u></p> <p>I Ricardian Trade Theory</p> <p>II Heckscher-Ohlin Trade Theory</p> <p>III New Trade Theory: Intra-Industry Trade, Increasing Returns to Scale, Imperfect Competition</p> <p>IV Firm Heterogeneity, Trade and FDI</p> <p>V The Multinational Firm</p> <p><u>Literature:</u></p> <p>The module draws heavily on articles from scholarly journals and handbooks. A detailed list of references with further references, notably journal articles, is provided with each chapter of the lecture. Material from the following books is also used:</p> <p>Helpman, E. (2011). Understanding Global Trade. Princeton University Press.</p> <p>Feenstra, R.C. (2016). Advanced International Trade. Theory and Evidence. Princeton University Press, Second Edition</p> <p>Caves, R., R.W. Jones and J.A. Frankel (2007). World Trade and Payments. Addison Wesley</p> <p>Bhagwati, J., A. Panagariya and T. N. Srinivasan (1998). Lectures on International Trade. Second Edition. MIT Press</p> <p>Gandolfo, G. (1998). International Trade Theory and Policy. Springer-Verlag, Berlin and New York</p> <p>Markusen, J.R., J.R. Melvin, W.H. Kaempfer, K. E. Maskus (1995). International Trade. McGrawHill</p> <p>Barba Navaretti, G. and A.J. Venables (2004). Multinational Firms in the World Economy. Princeton University Press</p>		
<b>Intended learning outcomes</b>		
<p>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</p>		

of the international division of labor, in particular the repercussions of the global economy on national economies.

**Courses** (type, number of weekly contact hours, language — if other than German)

V (2) + Ü (2)

Module taught in: English

**Method of assessment** (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. 60-90 minutes) or

b) term paper (approx. 15 pages) or

c) portfolio (approx. 50 hours)

Language of assessment: English

Assessment offered: In the semester in which the course is offered  
creditable for bonus

**Allocation of places**

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**Additional information**

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**Workload**

150 h

**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) Management International (2024)

Master's degree (1 major) Management (2024)

Master's degree (1 major) International Economic Policy (2024)

Master's degree (1 major) Economathematics (2024)