

# *International Economy*

## **Contents:**

1. International Economics: main definitions
2. Labour productivity and Comparative Advantage: The Ricardian Model.
3. Comparative Advantage with Many Goods.
4. Adding Transport Costs and Non-traded Goods.
5. A Model of Two - Factor Economy: The Heckscher-Ohlin Model.
6. Effects of International Trade between Two-Factor Economies.
7. The Standard Trade Model.
8. Economies of Scale, Imperfect Competition and International Trade.
9. External Economies and International Trade.
10. The Instruments of Trade Policy.
11. The Political Economy of Trade Policy.

## **Assessment:**

A Working Paper at the student's choice. It may consist of a summary of any of the chapters 2, 3, 4 or 5 of the textbook.

Working Paper Structure: no more than 15 pages, TR letter, 2 spaces.

Deadlines: 1st draft: subject proposed and main structure - 10 December 2009. Final draft: 10 January 2010.

## **References:**

Kreinin, E. Mordechai, International Economics, 10th edition, Thompson, 2006 (Textbook).

Krugman, Paul R., International Economics, 7th edition, Pearson, 2006.

## Notes:

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