

Vesalius College

Table I.2 Course description

Course title: International Trade								
Course code: ECN 307E								
Teacher responsible: Luc Hens								
Course description: ECN307 (International Trade) and its monetary pendant ECN308 (International Monetary Economics) cover the field of international economics. Both courses can be taken separately. They deal with the economics of globalization, or cross-border economic activity. More specifically, International Trade focuses on international transactions that involve a physical movement of goods (trade flows) or of factors of production (migration, foreign direct investment). Three themes are explored: the gains from trade (including the impact of trade on income distribution), the pattern of trade (who sells what to whom?), and protection (if trade is beneficial, why do countries protect domestic production?). Emphasis on the role of the international organizations (European Union, World Trade Organization) throughout.								
Course objectives: By the end of this course, students should understand the concept of comparative advantage and the gains from trade, understand what determines the pattern of trade, and be able to outline the costs, benefits, and impact on income distribution of different instruments of trade protection. They should understand the political economy of protection, and the role and limitations of the World Trade Organisation. They should be able to explain the effects of free trade areas (trade creation and trade diversion), and of factor mobility. Students should be able to apply the analytical toolbox of trade theory to real world situations in order to make qualitative predictions of the effects of measures such as tariffs or export subsidies. They should be able to locate, manipulate, and interpret numerical data on trade flows, and to empirically test the predictions of simple theories of trade using real-world data. Students should be able to write up the results of their research in a report, using a standard academic formatting style (APA Style).								
Grade weighting scheme: The final grade for the course will be calculated on the following weighting:								
<table border="1"><tr><td>Attendance</td><td>10%</td></tr><tr><td>Homework assignments (7.5% each) (individual reports on web applications)</td><td>30%</td></tr><tr><td>Midterm examination</td><td>30%</td></tr><tr><td>Final examination</td><td>30%</td></tr></table>	Attendance	10%	Homework assignments (7.5% each) (individual reports on web applications)	30%	Midterm examination	30%	Final examination	30%
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Midterm examination	30%							
Final examination	30%							

Used course material (handbooks, readers, readings, newspapers, magazines) and references:

Krugman, P. R., & Obstfeld, M. (2006). *International Economics: Theory and Policy* (7th edition). Boston: Pearson (ISBN 0-321-31154-X; Pearson International Edition).