

**City University of Hong Kong**

**Information on a Course**  
**offered by the Department of Economics and Finance**  
**with effect from Semester B in 2014/2015**

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**Part I**

**Course Title:** Advanced International Trade

**Course Code:** EF5400

**Course Duration:** 1 semester (39 hours)

**Credit Units:** 3

**Level:** P5

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** Nil

**Equivalent Courses:** Nil

**Exclusive Courses:** Nil

## Part II

### Course Aims

The main intended learning outcome would be, among other objectives: to train the students to learn the advanced concepts and both analytical and empirical techniques in international trade theory and policies, so that they can compare and evaluate the efficacy of various advanced models and policies. More importantly, they can develop their own frameworks and policy measures for research and applications. Ultimately, students will be able to connect themselves with the international trade system, develop confidence and ability in analysing international economic issues by applying relevant theories, form logical reasoning and critiques on world trade affairs and policies, and offer creative and innovative solutions to conflicts among trading partners and challenges of inequality due to globalization in the ever-changing global economy.

### Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

No.	CILOs
1.	Comprehend the standard international trade theories and models and apply them to explain and predict trade patterns, basis for trade and welfare effects.
2.	Develop practical insights from the perspective of New Trade Theory, including the welfare and income distribution implications of various trade policies, including various tariff and non-tariff barriers, etc.
3.	Apply the knowledge and theories to form critiques and offer policy recommendations for real world trade issues such as the soaring global food and oil prices, poverty, income inequality, unemployment, multinational coordination in tackling global warming, trade wars, intellectual property right protection, and global sourcing.

### **Assessment Tasks/Activities**

*(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)*

<b>CILO No.</b>	<b>Type of assessment tasks/activities</b>	<b>Weighting (if applicable)</b>	<b>Remarks</b>
CILO 1-3	Final exam (one 3 hour exam). Questions will assess students' ability to identify and use relevant concepts to analyse international trade.	70%	
CLIO 1-3	Mid-term exam	30%	

*Students are required to pass both coursework and examination components in order to pass the course.*

### **Summary of how DEC is incorporated in Assessment Tasks, and Teaching and Learning Activities (TLAs)**

<b>DEC Elements</b>	<b>Assessment Tasks and TLAs</b>
Develop students' attitude to discover and innovate	Lectures and in-class discussions
Develop students' abilities to discover and innovate, reveal their accomplishments in Discovery and Innovation	Lectures/ Mid-term exam/ final exam
Accomplishments in Discovery and Innovation	Mid-term exam/ final exam

### Grading of Student Achievement:

Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

Letter Grade	Grade Points	Grade Definitions	Remarks
A+ A A-	4.3 4.0 3.7	Excellent	Very strong evidence of knowing how to apply the trade theories and models outlined in CILOs. Very strong ability to identify and analyze real-world challenges and to formulate innovative and creative solutions.
B+ B B-	3.3 3.0 2.7	Good	Good evidence of knowing how to apply the trade theories and models outlined in CILOs. Good evidence of having ability to identify and analyze real-world challenges and to formulate innovative solutions.
C+ C C-	2.3 2.0 1.7	Adequate	Some evidence of knowing how to adequately apply the trade theories and models outlined in CILOs. Some evidence of having adequate ability to identify and analyze real-world challenges and to formulate feasible solutions.
D	1.0	Marginal	Sufficient familiarity with the basic concepts of the subject. Some evidence of having marginal ability to identify and analyze real-world challenges and to formulate proper solutions.
F	0.0	Failure	Little evidence of familiarity with the subject. Little evidence of having ability to identify and analyze real-world challenges and to formulate alternative solutions.

### Part III

#### Keyword Syllabus

Comparative Advantage; Ricardian Theory; Factor-Proportions Theory (Heckcher-Ohlin model); Gravity Equations, New Trade Theory; Strategic Trade Theory; Trade and Growth; Pollution and Trade Policies; Foreign Investment and International Technology Transfer; Economic Integration; Political Economy. Trade, Wage and Unemployment.

#### Recommended Reading

Bhagwati , Panagariya, and Srinivasan, *Lectures on International Trade*, Second Edition, MIT Press 1998

Davison and Matusz, *International Trade with Equilibrium Unemployment*, Princeton University Press, 2010.

Bhagwati, *Free Trade Today*, Princeton University Press, 2002.

Bagwell and Staiger, *The Economics of the World Trading System*, 2002.

Grossman and Helpman, *Interest Groups and Trade Policy*, Princeton University Press, 2002.

Krugman and Obstfeld, *International Economics: Theory and Policy*, 8th Edition, Pearson/Addison Wesley, 2008.

Feenstra, *Advanced International Trade: Theory and Policy*, Princeton University Press, 2004.

Supplementary readings:

*The Economist Magazine* selected articles

*The Wall Street Journal* selected articles

**Online Resources:**

The WTO Statistics Database-- <http://www.wto.org/index.htm>

Harvard Global Trade Negotiations-- <http://www.cid.harvard.edu/cidtrade>