



Birla Institute of Technology & Science, Pilani
Hyderabad Campus

INSTRUCTION DIVISION
FIRST/ SECOND SEMESTER 2016-2017
Course Handout Part II

Date: 01-08-2016

In addition to part-I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

Course No. : **ECONF418**
Course Title : ***Quantitative Analysis of International Trade***
Instructor-in-Charge : ***Dr. Archana Srivastava***

Scope and Objective of the Course: This course pertains to applied empirical methods in international economics, with an intense emphasis on international trade and trade policy. Aptly devoted to study how economists use empirical techniques – econometrics, survey methods, input-output analysis, simulations, and applied general equilibrium analysis – to estimate relationships in international economics. Further, the course will provide a hands-on, practical introduction to applied trade work. The course will discuss the theoretical and analytical literature on international trade before the discussion of empirical issues related to international trade.

Textbooks:

1. Feenstra, R.C. Advanced International Trade: Theory and Evidence. Princeton University Press, 2004.

Reference books

1. Feenstra R. C and Taylor. A.M. International Economics, Worth Publisher, 3rd ED. 2014.
2. Kenen, Peter B. The International Economy. Cambridge University Press, 2000.
3. Vasudeva, P.K. World Trade Organization: Implications for Indian Economy, Pearson Education, 2005
4. Hertel, Thomas W., and Thomas Warren Hertel. Global Trade Analysis: Modeling and Applications. Cambridge university press, 1997.
5. J. Borkakoti International Trade: Causes and Consequences: An Empirical and Theoretical Text, Macmillan Press Limited, 1998.
6. Markusen, Melvin, Kaempfer and Maskus. International Trade: Theory and Evidence, McGraw Hill, 1995.
7. Helpman and Krugman, Market Structure and Foreign Trade, 1985, Cambridge, MIT Press.
8. Raveendra Batra, Studies in Pure Theory of International Trade, 1973 Palgrave Macmillan.
9. Markusen, J(2002) Multinational Firms and the Theory of International Trade, Cambridge MIT Press.
10. Paul R. Krugman and Maurice Obstfeld, "International Economics: Theory & Policy," Addison wesley, 6th Ed. 2003.



Course Plan:

Lecture No.	Learning objectives	Topics to be covered	Chapter in the Text Book
1	Global Trade and Empirical Facts of International Trade	Introduction	Notes
2	Nature of the Globalization Process and Benefits and Costs associated with the Globalization Process, Globalization and Wages	Trade and Globalization	Notes
3	Theory and Empirical Testing of Trade Theories (From Mercantilism to Ricardian, Specific Factor Trade Models.	Trade and Technology	Ch.2,3(R1)
4	Heckscher-Ohlin trade models), testing of the Heckscher-Ohlin-Vanek model, Higher dimensional issues	Heckscher-Ohlin Models	Ch.2 (TB)
3	Alternative Trade Theories and their Empirical Tests: Linder's Hypothesis, Technology Gap and Product Cycle theories	Alternative Trade Models	Ch.3 (T.B)
3	New Trade Theories by Krugman, Lancaster and Falvey, New New Trade theories by Melitz, Strategic Trade Theories(Game theoretic Approach), Porter's Model of Competitiveness, Gravity Models, Trade in intermediate products and services, Grubel Lloyd indices.	New and New-New Trade Theories	Ch.5 (T.B)
5	Gains from Trade and the impact of trade on income distribution, trade patterns of developing countries and development issues, Stopler-Samuelson Theorem and Rybczynski Theorem	The Basis of International Trade	Ch. 3,4 (R. 8)
5	Instruments of Trade Policy and Welfare Effects: Tariffs,	Tariffs and Quotas	Ch. 8,9 (R. 1)



	Quotas, Non Tariff Barriers, Voluntary Export Restraints; Protectionist arguments in case of external economies of scale, Nominal and Effective Rate of Protection, Optimum tariff, Lerner and Metzler Paradox		
4	International Factor Movements including the impact and spillover effects of FDI and Portfolio Investments, Ownership, Locational and Internalization advantage Paradigm, Outward Flow of foreign investments, issues of international migration	Movement of Capital Between Countries	Ch. 5 (R.1)
5	Trade, Exchange Rate and Balance of Payments, Exchange rate management, different models of currency and banking crises and empirical assessment of BOP crises, international monetary theories and policies and macroeconomic management of an open economy, Impossible trilemma between fixed exchange rates, monetary policies and perfect capital mobility	The Balance of Payments and the Foreign-Exchange Market	Ch.12 (R.2)
4	Trade Policy simulations using software like GTAP and GAMS, International Trade Data Analysis using Econometric Models, introduction to WITS data base	Trade Policy Simulations	Ch.11 (R.4)
3	WTO negotiations and Issues like TRIPS, GATS, trade and environment and labour standards, Dispute Settlement Process of the WTO, NAMA, among others	WTO and India	Ch.12 (R.3)

Evaluation Scheme:

Component	Duration	Weightage (%)	Date & Time	Nature of Component
Test – I	1hr	20	8/9, 2.30--3.30PM	CB
Test – II	1 hr	20	25/10, 2.30--3.30PM	OB
Projects/Assignments/Quizzes		20		
Comprehensive Exam.	3 hrs.	40	06/12 AN	(CB)

Chamber Consultation Hour: To be announced in the class.

Notices: All notices pertaining to this course shall be displayed on the **Economics and Finance (or) LTC Notice Board.**

Make-up Policy: Make-up will be granted on genuine reason with prior permission.

INSTRUCTOR-IN-CHARGE
ECON F418

