**Final Exam Points Distribution:**

Total time: 140 mins (3.20 p.m. to 5.30 p.m.) ; You should spend on average 1.4 mins per point

* **30 Points: Very short Answers**
* True or False
* Multiple Choice
* Fill in the Blanks
* Similar to Quiz questions
* **20 Points: Short Answers**
* Like the short conceptual/numerical questions that you have seen in the homework
* An example of this kind of question: Why do nations trade?
* **30 Points: Numerical Problems**
* Like the sample numerical problems that we did in class or did in the homework
* You can also practice from the “Feenstra and Taylor: Instructor Manual” or the textbook
* **20 Points: Long Answer, Conceptual Problems**
* Similar to conceptual problems we did in the homework
* May ask to connect a real-life example with the theory learnt in class

(For example, discussion on China’s comparative advantage versus Ricardo’s theory, discussion on Leontief Paradox in the context of the US data)

* You don’t have to remember any particular data, but you should be aware of the context if the data is given to you

50% questions will be from what we covered in the first two weeks

* Basic Concepts, Ricardo, SFM, HO, Immigration, FDI

The rest 50% will be from what we cover in the third and the fourth week

* Import tariffs and quotas under perfect competition, imperfect competition, export subsidies

**We will discuss some sample questions on June 7 (Thursday).**

NOTE: We didn’t cover “Outsourcing and Offshoring” and “Increasing Returns to Scale”

**Study Guide:**

(Review class lectures)

1. Chapter 1: Basic Concepts

* Quiz 1
* HW 1
* Real life example: Trade before and after WWII, dot-com bubble of 2001, financial crisis of 2008; country wise value chain of iPad
* Reference: Feenstra and Taylor Ch 1

1. Chapter 2: Ricardo Model

* Read notes provided in the class
* Sample Problems (on May 15, May 17)
* Quiz 2, 4
* HW 1
* Topics: why do nations trade, absolute advantage, comparative advantage, home import demand curve, foreign export supply curve
* Real life examples: China’s case
* Reference: Feenstra and Taylor Ch 2

1. Chapter 3: SFM

* Read notes provided in the class
* Sample Problems (on May 21)
* Quiz 3, 4
* HW 1
* Topics: basic set up of the model, Gains from trade in Home and Foreign, determination of factor prices, Effect of trade on factor prices
* Reference: Feenstra and Taylor Ch 3

1. Chapter 4: HO

* Read notes provided in the class
* Sample Problems (on May 22, May 23)
* Quiz 4, 5
* HW 2
* Topics: basic set up of the model, Gains from trade in Home and Foreign, determination of factor prices, Effect of trade on factor prices, Leontief Paradox, HO theorem, Stolper-Samuelson Theorem
* Real Life example: 1947 data on US trade to test HO theorem
* Reference: Feenstra and Taylor Ch 4

1. Chapter 5: Movements of Factors

* Sample Problems (on May 25)
* HW 2
* Topics: immigration (Short run Model, Long Run Model), FDI (Short Run Model, Long Run Model), Greenfield FDI, Acquisition FDI, Emigration, gains from immigration, gains from FDI
* Real life examples: effect of immigration from Cuba to the US in 1980
* Reference: Feenstra and Taylor Ch 5

1. Chapter 6: Import Tariffs and Quotas under Perfect Competition, and under Imperfect Competition

* Sample Problems (on May 29, May 30)
* HW 3
* Welfare effects of tariff (for SMOPEC and LOPEC), discriminatory tariff, prohibitive tariff, quota, optimal tariff
* Real life example: US-China Tariff war
* Reference: Feenstra and Taylor Ch 8

1. Chapter 7: Import Tariffs and Quotas under Imperfect Competition

* Sample Problems (on May 31, June 1)
* HW 3
* Welfare effects of tariff and quota (for SMOPEC, Monopoly at Home), tariff when Foreign exporter is a monopolist, Dumping, anti-dumping
* Reference: Feenstra and Taylor Ch 9

1. Chapter 8: Export Subsidy

* Welfare effects of export subsidy (for SMOPEC and LOPEC), game theoretic approach
* Reference: Feenstra and Taylor Ch 10