

The University of Jordan	
School of Business	
Department	Business Economics
Programme	Economics PhD
Module title / number	International Economics (1607903)
Teaching staff	Professor Taleb Awad-Warrad
Office location	Business Economics, Building #2, First floor
Phone	24156
E-mail	t.awad@ju.edu.jo
Office hours	Online upon request
Pre-requisite	Under-Graduate international economics
Module description	The course covers International trade theory and policy: Classical comparative advantage and extensions, H-O theory and extensions. New theories of trade under imperfect competition, factor movements, commercial policies theory of optimum tariff and Gravity trade model.
Aims	<ul style="list-style-type: none"> 1- To understand alternative trade theories 2- To enable students to use the appropriate modern trade and policy analysis in their professional research 3- to master modern empirical applications of trade theories and policies

Intended learning outcomes (ILOs)**a- Knowledge and understanding:**

- Understand an overview of the assumptions and limits of international trade theories
- Demonstrate a knowledge of various types and trade modeling
- Understand the meaning of commercial policy
- Describe and analyze various trade methods and their empirical applications
- To comprehend how to use various international economic techniques in research reports

Intellectual skills:

- Apply appropriate trade methods for different cases/situations.
- master the applications of international econometric tools to different economic theories
- develop the ability of using appropriate economic tools
- Distinguish between various trade and policy modeling
- Identify and deal with different international trade/policy cases/situations

Teaching and learning methods

Duration: 16 weeks, 48 hours in total
Lectures: 34 hours, 3 per week
Exams: two 2-hour midterm exam and 3 hours final
Case study: 3 hours
Tutorials: 3 hours
Applications: 3 hours
Laboratory: 0 hours computer lab

Academic Honesty

All the assignments and work submitted by the student should be his or her own. All actions of academic dishonesty including cheating, plagiarism or helping other students in such actions will be dealt with strictly according to the university of Jordan regulations.

Main textbook(s) and additional readings:

Required Textbook: for the time being no required textbook, but the first in the recommended list is the most relevant and comprehensive.

Recommended Textbooks:

Advanced International Trade: Theory and Evidence by Robert Feenstra. 2004, 2016 Princeton Press

Lectures on International Trade, 2nd edition, by Bhagwati, Panagariya and Srinivasan (BPC), The MIT Press, 1998

For a comprehensive background on all course topics in Arabic language see:

Taleb Awad-Warrad. *International Trade: theories and policies*. Dar Wael Publishing, Amman, North-gate-University of Jordan.

Further readings can be found in trade papers published in professional journals/books, the list below shows some examples that are frequently used:

Dixit, A. and V. Norman. *Theory of International Trade*, Cambridge University Press: Cambridge, 1980. Chapter 1.

Fisher, E and F. Vega-Redondo. "The Evolution of Comparative Advantage " , unpublished manuscript.

Fisher, E. and V. Kakkar. "On the Evolution of Comparative Advantage in Matching Models," forthcoming *Journal of International Economics*.

Yi, Kei-Mu. "Can Vertical Specialization Explain the Growth of World Trade " ? *Journal of Political Economy* 111 (2003), 52-102.

Deardorff, Alan J. "The General Validity of the Law of Comparative Advantage " . *Journal of Political Economy* 88 (1980), 941-957.

Dixit, A. and V. Norman. *Theory of International Trade*, Cambridge University Press: Cambridge, 1980. Chapter 3.

Jones, R. W. "The Structure of Simple General Equilibrium Models." *Journal of Political Economy* 73, 557-572.

Trefler, Daniel. "The Case of the Missing Trade and Other Mysteries." *American Economic Review* 85 (1995), 1029-1046.

Debaere, Peter . "Relative Factor Abundance and Trade." *Journal of Political Economy* 111(2003), 589-610 .

Samuelson, Paul A. "International Factor-price Equalization Once Again " . *Economic Journal* 59 (1949), 181-197.

Trefler, Daniel. "International Factor Price Differences: Leontief Was Right " ! *Journal of Political Economy* 101 (1993), 961-87 .

Jones, R. and J. Scheinkman. "The Relevance of the Two-Sector Model in Trade Theory." *Journal of Political Economy* 85 (1977), 909-935.

Davis, Donald R. and D. E. Weinstein. "An Account of Global Factor Trade " . *American Economic Review* 91 (2001), 1423-53 .

Kortum, Samuel S. "Research, Patenting, and Technological Change." *Econometrica* .1419-1389 ,(1997) 65

Dixit, A. and V. Norman. *Theory of International Trade*, Cambridge University

Press: Cambridge, 1980. Chapter 6.

Bhagwati, J. "The Generalized Theory of Distortions and Welfare." Reprinted in the Leamer on pages 96-111.

Fisher, E. and C. A. Wilson, "Price Competition Between Two International Firms Facing Tariffs." *International Journal of Industrial Organization* 13 (1995), (.87-67

Krishna, Pravin. "Are Regional Trading Partners "Natural"?" *Journal of Political Economy* 111(2003), 202-26 .

Bernard, Andrew B. and J. B. Jensen. "Exceptional Exporter Performance: Cause , Effect, or Both "?" *Journal of International Economics* 47 (1999), 1-25 .

Krugman, P. "Increasing Returns, Monopolistic Competition, and International Trade." *Journal of International Economics* 9 (1979) 469-479.

Antweiler, Werner and D. Trefler, "Increasing Returns and All That: A View from Trade." *American Economic Review* 92 (2002), pp. 93-119.

Bearce, David and E. Fisher. "Economic Geography, Trade, and War." *Journal of Conflict Resolution* 46 (2002), 365-93.

Eaton, Jonathan and S. Kortum. "Technology, Geography, and Trade." *Econometrica* .79-1741 ,(2002) 70

Keller, Wolfgang. "Geographic Localization of International Technology Diffusion." *American Economic Review* 92 (2002), pp.120-42 .

Engel, Charles and John H. Rogers. "How Wide is the Border?" *American Economic Review* 86 (1996), 1112-25.

Evenett, Simon J. and W. Keller. "On Theories Explaining the Success of the Gravity Equation." *Journal of Political Economy* 110 (2002), 281-316 .

Anderson, James E. and E. van Wincoop. "Gravity with Gravitas: A Solution to the Border Puzzle." *American Economic Review* 93 (2003), 170-92.

Additional readings will be given later in class.

Grading

There will be a research paper, one midterm exam, and one final exam. You will have about three months to complete your research paper. The exams will be closed book and closed notes. The midterm and final exams will take place during regular lecture hours.

ACTIVITIES	PERCENTAGES
Research paper	20%
Quiz	10%
Midterm exam	30%
Final exam	40%

Detailed lecture schedule :	Hrs
1- Introduction to International Economics	3
2-Comparative Advantage	6
3- Extensions of the Ricardian MODEL	3
4-Empirical tests of the Ricardian model	1
5- Factor Endowments and Comparative Advantage	6
6- Extensions of H-O MODEL	3
7- Empirical tests of the Heckscher-Ohlin model	1
Midterm exam	2
8- Imperfect Competition	6
9- Geography and Trade (Gravity Models)	3
10- Trade and growth	3
11-Commercial Policies under perfect competition	6
11-Commercial Policies under market failure	3
Final Exam: It covers all units with higher weights given to units not covered in the previous exams.	2