

Course Outline and Readings

1. General Introduction (M: Ch.1; S: Ch.1,2)
 - (a) Empirical Observations
 - (b) International Economics as a Separate Field
 - (c) Comparative Advantage and a Simple Model of Trade
2. Supply and Production (M: Ch.2; S: Ch.3)
 - (a) Production Functions
 - (b) Production Possibilities
 - (c) Cost Functions
3. Demand and Consumers (M: Ch.3; S: Ch.3)
 - (a) Utility Functions
 - (b) Community Indifference Curves
4. Equilibria (M: Ch.4; S: Ch.3,4)
 - (a) Closed Economy
 - (b) Open Economy
5. Gains From Trade (M: Ch.5; S: Ch.3,4)
6. Classical Model of Trade (Ricardian Model) (M: Ch.7; S: Ch.2)
7. Hecksher-Ohlin Model of Trade (M: Ch.8; S: Ch.5)
8. Economies of Scale, Imperfect Competition and Trade (M: Ch.11,12; S: Ch.6)
9. Empirical Studies (M: Ch.14; S: Ch.5)
10. Trade Policy Tariffs (M: Ch.15; S: Ch.8)
 - (a) Non-Tariff Barriers (M: Ch.16; S: Ch.9)
 - (b) Strategic Trade Policy (M: Ch.17; S: Ch.9)
 - (c) Political Economy of Trade Policy (M: Ch.19,20; S: Ch.9)

11. Trade, Development, and Growth (M: Ch.23; S: Ch.11)

(M) *International Trade: Theory and Evidence* by James Markusen, James Melvin, William Kaempfer, and Keith Maskus, MacGraw-Hill, New York, 1995

(S) *International Economics* by Dominique Salvatore, 8th Edition.