**ECO 4704:**

**International Trade Theory**

Spring Semester 2025

Department of Economics

Florida International University

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**Course Objectives**

In this course we will trade the development of major trade theories over the course of the last two hundred years (yes, we are ambitious) and apply them to understand contemporary trade policy.

**Textbook**: No required textbook. Lecture notes will be provided.

Highly recommended: Ann. O. Kruger, *International Trade: What everyone needs to know* (Oxford University Press).

**Prerequisites**: *Intermediate microeconomics*

**Course requirements/grading policy**

Your course grade will be based on four in-class exams, each is worth 25 percent of your final grade. The final grade distribution is as follows. A (≥ 90), B (80 ~ 89), C (70 ~ 79), D (60 ~ 69), F (≤ 59).

No make-up exam will be given unless under extreme circumstances (illnesses or accidents with supporting documentations). The exams will be re-graded only if there are grading errors.

**Honor Code**: The FIU Honor Code is taken seriously and governs all work in this course.

**Course Outline**: *This syllabus is not a fixed document and is subject to revisions.*

Week of Lecture topics

Jan 6: Review of microeconomics

Jan 13 Ricardian model

Jan 20 Ricardian model, continued. (Monday: MLK day)

Jan 27 Heckscher-Ohlin model, **First exam** (1/29)

Feb 3 Heckscher-Ohlin model, continued

Feb 10 Specific factors model

Feb 17 External economies of scale, **Second exam** (2/19)

Feb 24 (Spring Break)

Mar 3 Monopolistic competition I

Mar 10 Monopolistic competition, continued

Mar 17 Trade policy **Third exam** (3/19)

(NB: 3/17 is the last day to drop with a DR grade)

Mar 24 Trade policy, continued

Mar 31 Oligopoly and industrial policy

Apr 7 Trade policy for developing countries

Apr 14 Unfinished business **Fourth exam** (4/16)