



LUND
UNIVERSITY

School of Economics and Management

NEKH72, Economics: Trade Theory, 7.5 credits *Nationalekonomi: Handelsteori, 7,5 högskolepoäng* First Cycle / Grundnivå

Details of approval

The syllabus is an old version, approved by The Board of the Department of Economics on 2011-06-07 and was last revised on 2019-11-05. The revised syllabus applied from 2019-11-05, spring semester 2020.

General Information

This is a single subject intermediate course in economics belonging to the 'International and Development Economics' specialisation. The course is optional within a number of undergraduate programmes at Lund University.

Language of instruction: English

In some semesters the course can be taught in Swedish, see the appropriate application catalogue.

Main field of studies

Economics

Depth of study relative to the degree requirements

G1F, First cycle, has less than 60 credits in first-cycle course/s as entry requirements

Learning outcomes

Knowledge and understanding

Students shall have demonstrated:

- an appreciation for the manner in which mainstream trade theory can be employed in abstracting essential features of complex and open economic systems,
- an understanding of the limitations of the models at hand,
- an ability to explain how the major analytical models of international trade relate different country specific characteristics to the pattern of international specialization, and what predictions these models yield regarding the effects of trade policies and the globalization of markets on the overall consumption

possibilities of countries as well as the distribution of consumption possibilities between individuals with different characteristics concerning skills, capital ownership, mobility and preferences.

Competence and skills

Students shall be able to reflect independently and critically on a number of arguments concerning the competitiveness of countries, the rationale for global trade negotiations based on mutual concessions, and the defensibility of free trade between rich and poor. Students shall also be able to communicate and explain their analyses and conclusions clearly and concisely in both oral and written form.

Judgement and approach

Students shall have developed the ability to pursue further studies in the subject and should be able to search for and evaluate information with a high degree of independence. Students shall also have developed the ability to individually write an empirically orientated paper.

Course content

The course deals with the mechanisms behind and the effects of international trade. To begin with, the gains from trade, as well as a few key results relating to trade policy, are derived under the assumptions of a generic neoclassical general equilibrium model. Then a few specific varieties of that standard model are utilised to highlight effects of differences in technology and factor endowments between trading countries on trade flows as well as incomes and their distribution. In this context, claims about the effects of trade liberalization on inequality and poverty are analyzed. The course also gives an introduction to more recent developments in trade theory (taking imperfect competition, product differentiation and increasing returns to scale into account) which add other explanations for trade and its effects as well as a perspective on the role of multinational corporations.

Course design

1. Teaching: Tuition consists of lectures and exercises.

Assessment

1. Examination: The examination consists of a set of individual written assignments and a written exam at the end of the course. There will be further opportunities for examination close to this date. Other forms of examination may be used to a limited extent.
2. Limitations on the number of examination opportunities: –

The University views plagiarism and other academic dishonesty very seriously, and will take disciplinary action against students for any kind of attempted malpractice in connection with examinations and assessments. Plagiarism is considered to be a very

serious academic offence. The penalty that may be imposed for this, and other unfair practices in examinations or assessments, includes suspension from the University for a specified period.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

Subcourses that are part of this course can be found in an appendix at the end of this document.

Grades

Marking scale: Fail, E, D, C, B, A.

1. Grading: The official grading scale is A, B, C, D, E and Fail.
2. Weighting grades from different parts of the course: –
3. Grading scales for different parts of the course: –

Entry requirements

At least 20 ECTS-credits from the introductory course in economics, of which at least 7.5 ECTS-credits in microeconomics are needed for admission till all intermediate courses in economics. Courses in basic international economics and intermediate microeconomics are recommended.

Further information

1. Transitional regulations: This course replaces NEKK15 "Trade Theory".
2. Limitations in the period of validity: –
3. Limitations: This course may not be included in the same degree as NEK642 "Trade Theory B/C" or NEKK15 "Trade Theory".
4. Similar courses: –
5. Limitations in renewed examination: –

Subcourses in NEKH72, Economics:Trade Theory

Applies from H11

1101 Trade Theory, 7,5 hp
Grading scale: Fail, E, D, C, B, A