

International Economics

Academic Year: **2020/2021**

2nd Semester/Trimester

Level of curricular unit: Undergraduate (1st cycle, as defined in the Framework of Qualifications for the European Higher Education Area)

Instructor(s): Teresa Lloyd Braga; Filipa Santos Silva (Practical Sections)

Contact(s) and Office hours:

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Filipa Santos Silva filipa7santossilva@gmail.com

Meetings can be fixed by email or in classes.

Biography:

Teresa Lloyd Braga is a full professor at Universidade Católica Portuguesa (UCP). She holds a Ph.D. in Economics from UCP (Lisbon) and she is a researcher at CUBE, the Business and Economics Research Unit of the Católica Lisbon School of Business and Economics. Her research work, focusing mainly on Expectations-driven Business Cycles, Non Linear Dynamics and the role of Market Imperfections on General Equilibrium Macro Models (closed and open economies), has been presented in several international conferences and published in scientific journals, as, for instance, Journal of Economic Theory, Journal of International Economics, Economic Theory.

Course overview and objectives:

This course focuses on international trade theory and its applications. We discuss economic incentives for the existence of international trade and of factors' movement. We study the pattern of trade and the effects of trade and of trade policy instruments on relative prices, volume of trade, income distribution and economic welfare. Standard models are used to address these issues.

Students are supposed to get knowledge on how trade models work and the mechanisms they describe. They should also be able to choose the most suitable model to answer specific questions and to discuss issues related to international trade and factor movements.

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1. Introduction
2. Labor Productivity and Comparative Advantage
3. Input Endowments and Comparative Advantage
4. Basic (classical) Model for International Trade
5. Economies of Scale; Imperfect Competition and International Trade
6. International Factor Movements
7. Trade Policy

Required background:

Students should have attended an intermediate microeconomics course

Grading:

Two compulsory exams: Mid-term exam (42.5%) and End-term exam (42.5%).

A compulsory written group work with oral presentation (10%)

Compulsory peer work group discussion (5%)

Final Exam: Compulsory for students whose average is between 8 and 9 (in a scale 0-20), and for students that attained an average mark higher or equal to 10 but with a very low mark (usually below 7) in one of the compulsory exams. Optional for final grade improvement: students do not fail but past grades are taken into account.

The passing final average is above or equal to 10.

Attendance to classes and active participation in the discussion of the topics lectured may also be taken into account.

Bibliography:

Krugman, P.R, Obstfeld, M. and M. Melitz, *International Economics: Theory and Policy*, Pearson.

Kenen, P.B., *The International Economy*, Cambridge University Press.

Chacholiades, M., *International Economics*.

Dunn Jr., R.M. and Ingram, J.C., *International Economics*, John Wiley.

Salvatore, D., *International Economics*, Prentice Hall International Editions



Group works topics will be defined in practical sessions, where group composition and specific dates of presentation/discussion will also be fixed.

Code of conduct and ethics:

Católica Lisbon School of Business and Economics is a community of individuals with diverse backgrounds and interests who share certain fundamental goals. A crucial element to achieve these goals is the creation and maintenance of an atmosphere contributing to learning and personal growth for everyone in the community. The success of CATÓLICA-LISBON in attaining its goals and in maintaining its reputation of academic excellence depends on the willingness of its members, both collectively and individually, to meet their responsibilities.

Along with all the other members of our community, students are expected to follow professional standards and CATÓLICA-LISBON standards of Academic Integrity. Some details should be mentioned here: Please arrive on time for class with uninterrupted attendance for the duration of the class. Signing attendance sheet for anyone else in the class constitutes fraud and a violation of the CLSBE code of conduct. Use of computers and other electronic devices during the class is not allowed, unless expressly requested by the instructor of the course. Students who persistently act in a disruptive and disrespectful manner during the class session may be invited to leave.

Students are expected to behave at all times according to the fundamental principles of academic integrity, including honesty, trust, fairness, respect, and responsibility. In particular,

- a) In **individual graded assignments** of any type, students may not collaborate with others or use any materials without explicit permission from the instructor of the course;
- b) In **group assignments and reports**, all students listed as authors should have performed a substantial amount of work for that assignment;
- c) It is dishonest to fabricate or falsify data in experiments, surveys, papers, reports or other circumstances; fabricate source material in a bibliography or "works cited" list; or provide false information in other documents in connection with academic efforts;
- d) **Plagiarizing**, i.e. "to steal and pass off the ideas or words of another as one's own and or to use another's production without crediting the source" (Merriam-Webster Dictionary) is an Academic Integrity breach. It can be avoided by using proper methods of documentation and acknowledgement. Visit this guide for additional resources on how to avoid plagiarism in your written submissions <http://en.writecheck.com/plagiarism-guide>
- e) In **exams** students must not receive or provide any unauthorized assistance. During an examination, students may use only material and items authorized by the faculty. Use of smartwatches or other communication devices is not permitted during the exam.

Academic integrity breaches will be dealt with in accordance with the school's code of Academic Integrity: <https://www.clsbe.lisboa.ucp.pt/system/files/assets/files/academicintegritycode.pdf>
