

COURSE SYLLABUS

International Trade

Course code: ECO 500

Term and year: Spring 2026

Day and time: Tuesday 18:15-21:00

Instructor: Vladimír Hlásny, Ph.D.

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Consultation hours: Fridays 14:45 – 17:30 by appointment/Teams invitation

Credits US/ECTS	3/6	Level	Master
Length	15 weeks	Pre-requisite	
Contact hours	42 hours	Grading	Letter grade

1. Course Description

This course covers a subfield of international economics on international trade theory. Classical trade models of comparative advantage, factor availability & productivity, relative prices, and terms of trade are covered. Political and strategic aspects of trade policy, and current state of international trade negotiations are analyzed. The course will attempt to put current economic events in the perspective of existing trade theories and will try to outline ways forward. The aim of the course is threefold: to provide students with understanding of international economic relations in a world with intensifying global linkages; to provide a framework for analyzing current economic events and proposed policy regimes; and to force students to take a stand on a current economic issue through an in-depth report. The course serves as a prerequisite for advanced studies in international economics and finance, offering the necessary theoretical framework to understand the broader macroeconomic implications of international economic interactions.

2. Student Learning Outcomes

Upon completion of this course, students should be able to:

- Describe the fundamental concepts and theories of international trade;
- Analyze the gains from trade and how trade patterns are determined;
- Understand the instruments and impact of international trade policy, including tariffs, subsidies, and other trade barriers;
- Explain the role of international institutions, such as the WTO, in shaping trade policies and trade agreements;
- Evaluate the political economy of trade policy, including its implications for developing countries;
- Analyze the effects of regional economic integrations on trade patterns and economic outcomes;
- Link international trade theory to macroeconomic issues, providing a basis for understanding international finance;
- Critically assess the controversies surrounding globalization and trade, including their socio-economic and environmental impacts.

3. Reading Material

Required Materials

- Krugman, P. R., Obstfeld, M., & Melitz, M. (2018). International Trade: Theory and Policy. Global, 11th Ed. Pearson. Other editions may be used upon consultation with the instructor.

Recommended Materials

- (Optional) Linda Goldberg, Michael Klein & Jay Shambaugh, Study Guide for International Economics: Theory and Policy, 8th edition (Pearson, 2008).
- Other required, recommended and optional materials will be posted on MyLearning > Lessons throughout the semester.

4. Teaching methodology

This course is lecture-based with student participation required. Students are expected to contribute to discussions, ask questions, and apply the concepts learned to practical and policy-relevant problems. Each student will have to present the course material to fellow classmates once during the semester. In addition to participating in lectures, students are expected to read assigned chapters and review any other posted materials ahead of the lectures.

5. Course Schedule

Date	Class Agenda
Session 1 Feb 3	Topic: Introduction to International Trade; Gains from Trade and Policy Coordination; World Trade Patterns Reading: Ch. 2 (Ch. 1 optional)
Session 2 Feb 10	Topic: Productivity & Comparative Advantage: The Ricardian Model Reading: Ch. 3 + Intro to Ch. 4
Session 3 Feb 17	Topic: Specific Factors, Endowment & Income Distribution; Migration Reading: Ch. 4 + Intro to Ch. 5
Session 4 Feb 24	Topic: Resources, Comparative Advantage, and Income Distribution; Heckscher-Ohlin Model Reading: Ch.5
Session 5 Mar 3	Topic: The Standard Trade Model; Terms of Trade; International Transfers of Income and Trade Policy Tools Reading: Ch. 6 (case study on p.158-159 & appendix on p.170 recommended)
Session 6 Mar 10	Topic: External Economies of Scale, Dynamic Increasing Returns Reading: Ch. 7 (yellow box on p.188 recommended) Ch. 8 Imperfect Competition Theory (p.193-201)
Session 7 Mar 17	Topic: Internal Economies of Scale; Imperfect Competition, and International Trade; Dumping and Anti-Dumping Policies; Export Decisions, Outsourcing & Multinationals Reading: Ch. 8 p.201-230 (p.202-205, yellow box on p.225 recommended; appendix optional)
Session 8 Mar 24	Topic: Midterm Exam
	Mid-term break

Session 9 Apr 7	Topic: Instruments of Trade Policy; Tariffs, Subsidies, and Non-Tariff Barriers Reading: Ch. 9 (appendix recommended)
Session 10 Apr 14	Topic: The Political Economy of Trade Policy; Free Trade vs. Protectionism; WTO & FTAs; Agricultural Trade & Specific Safeguard Mechanisms Reading: Ch. 10 + appendix
Session 11 Apr 21	Topic: Trade Policy in Developing Countries; Export-Oriented Industrialization and Trade Liberalization Reading: Ch. 11 (Alice Amsden, Nationality of Firm Ownership in Developing Countries, recommended.)
Session 12 Apr 28	Topic: Market Imperfections as Sources of Controversy; Strategic Considerations in Trade Policy; Low-Wage Labor Exploitation Reading: Ch. 12
Session 13 May 5	Topic: Globalization & Environment: Theory; International Environmental Agreements: Theory & Practice Reading: Ch. 12 cont.
Session 14 May 12	Topic: Course Wrap-Up and Final Exam

6. Course Requirements and Assessment (with estimated workloads)

Assignment	Workload (hours)	Weight in Final Grade	Evaluated Course Specific Learning Outcomes	Evaluated Institutional Learning Outcomes*
Class Participation	42	0%	Ability to engage in discussions, communicate thoughts effectively.	1, 2
Mid-term Exam	25	30	Have a clear understanding of the necessary terminology. Comprehend the basic concepts of the relevant economic thinking. Place the studied concepts in the context of real life situations.	1, 2
Final Exam	30	35	Have a clear understanding of the necessary terminology. Comprehend the basic concepts of the relevant economic thinking. Place the studied concepts in the context of real life situations.	1, 2
25-30 minute In-class Presentation	25	15	Have a clear understanding of the necessary terminology. Comprehend the basic concepts of the relevant economic thinking.	1, 2, 3

			Place the studied concepts in the context of real life situations.	
Quizzes	28	20	Have a clear understanding of the necessary terminology. Comprehend the basic concepts of the relevant economic thinking. Place the studied concepts in the context of real life situations.	1, 2
TOTAL	150	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

7. Detailed description of the assignments

Class Participation:

Students are expected to actively participate in discussions, ask insightful questions, and contribute their own points of view.

Quizzes:

Throughout the semester, there will be 5-8 short quizzes, administered at the beginning of the session. These will focus on the material covered in that week's lecture, drawing on the readings assigned for that lesson. The aim is to ensure that students engage with the course material continuously, and to reinforce students' understanding of key concepts.

In-class Presentation:

Presentations will take place throughout the semester, with each student presenting once, for 25-30 minutes. The aim is to have students explain economic theory using practical examples from real-life situations. Each presentation will correspond to material assigned for that session. Students should provide a brief recap of the basic concepts and then present practical examples. Presentations will be graded based on the quality of the presentation, and the structure and depth of the information presented. The exact topics will be agreed with the instructor.

Midterm and Final Exams:

There will be a mid-term exam and a final exam. The mid-term exam will cover material from the first half of the semester, and the final exam will be comprehensive, covering material from the entire course. These exams will evaluate students' understanding of relevant economic principles and their ability to apply these concepts to real-life situations.

8. General Requirements and School Policies

General requirements

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules in the Academic Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work. Please see the AAU intranet for a [summary of key policies](#) regarding coursework.

Course specific requirements

There are no special requirements or deviations from AAU policies for this course.