



Universidad  
de Alcalá

# COURSE GUIDE

## International Trade & Globalization

**Degree in Economics and International  
Business**

**Universidad de Alcalá**

**Academic Year 2022/2023**  
**Third Year – Second Term**

## COURSE GUIDE

Subject:	<b>International Trade and Globalization</b>
Code:	<b>363003</b>
Degree:	<b>Degree in Economics and International Business</b>
Department and field of study:	<b>Department of Economics</b>
Type of course:	<b>Compulsory</b>
ECTS credits:	<b>6 ECTS</b>
Year and Term:	<b>Third Year - Second Term</b>
Professor:	<b>Prof. Sébastien Fontenay</b> ( <a href="mailto:sebastien.fontenay@uah.es">sebastien.fontenay@uah.es</a> )
Office hours:	Students will be informed at the beginning of the term
Language:	<b>English</b>

### 1. DESCRIPTION

The course "International Trade and Globalization" offers an updated overview of the main aspects of the theory of international trade and the phenomenon of globalization. The course provides a detailed analysis of the main concepts and methods of international trade theory, and a basic framework for analysing, from a microeconomic perspective, the current problems of the international economy. In combination with "International Macroeconomics", these subjects provide the basis for a correct understanding of the economic problems of open economies. Although in this course great attention is paid to theoretical models, analytical techniques, and contrasting them with the available empirical evidence, their presentation is always motivated by the concrete problems of the real world. The analysis of practical cases allows students to verify the usefulness of the theoretical models and contributes to stimulate their interest in studying them. The subject first deals with the study of the basic models of international trade with emphasis on modern approaches to them. Subsequently, the course deals with an analysis of trade policies, international factor movements and the consequences of globalization.

### 2. LEARNING OBJECTIVES

#### General skills:

- CG1.- - Acquire capacities in the negotiation techniques used in international institutions and companies
- CG2.- - Ability to analyse data and reports coming specifically from international sources (companies, international institutions such as the IMF, the WTO or the Bank for

International Settlements)

- CG3.- - Interest in updating the permanent requirements of organization techniques and planning for corporate and public international activities
- CG4.- - Ability to assess the multiplicity of social, political, technical, etc. factors. that come together in the corporate and institutional international decisions
- CG5.- - Acquire current ethical criteria that can be permanently updated, expressed in the different countries through anti-corruption codes, international economic bills of rights, etc.
- CG6.- - Ability to integrate into interdisciplinary teams made up of people from very different countries and backgrounds.
- CG7.- - Scientific and professional curiosity for the permanent use of analytical and conceptual instruments typical of international economic relations.
- CG8.- - Motivation for the search for quality in professional practice and in its development
- CG9.- - Curiosity for learning new techniques and instruments that are continually developed in the international field
- CG10.- - Written and oral expression skills that can be used in different environments
- CG11.- - Ability to use the English language to search for information and use resources in that language, and in the preparation and presentation of academic activities

#### **Basic skills:**

- CB1.- - Students have to demonstrate possession and understanding of knowledge in an area of study that is based on general secondary education, and is usually found at a level that, although supported by advanced textbooks, also includes some aspects involving knowledge from the vanguard of their field of study
- CB2.- - Students should know how to apply their knowledge to their work or vocation in a professional way and possess the skills that are usually demonstrated through the elaboration and defence of arguments and the resolution of problems within their area of study
- CB3.- - Students should have the ability to gather and interpret relevant data (normally within their area of study) to make judgments that include a reflection on relevant issues of a social, scientific or ethical nature
- CB4.- - Students should be able to transmit information, ideas, problems and solutions to both a specialized and non-specialized audience
- CB5.- - Students should have developed those learning skills necessary to undertake further studies with a high degree of autonomy

#### **Transversal skills:**

- CT1.- - Acquire techniques and skills related to professional practice, including the application of appropriate deontology regulations.
- CT2.- - Know the resources available to access information and use them effectively.
- CT3.- - Acquire oral and written communication skills in modern languages, both in professional and other contexts
- CT4.- - Understand the ideas and arguments that are expressed in a foreign language, in writing and orally, both in everyday situations as well as in professional and specialized contexts.

- CT5.- - Manage in an advanced way the office automation tools most frequently used in a professional environment (word processor, databases and spreadsheets) and advanced use of electronic communication programs, navigation and data search (email and Internet).
- CT6.- - Design presentations using computer programs and the ability to structure information appropriately and transmit it clearly and efficiently, with a basic knowledge of how data transmission networks operate.
- CT7.- - Know the main management techniques, conflict resolution, job selection and motivation of human teams in a work environment with the use of effective strategies in time management.
- CT8.- - Plan and develop a research project in a certain field of study, in accordance with the academic and scientific requirements.
- CT9.- - Know the history of the University of Alcalá, the functioning of the European institutions and the historical, social, economic and cultural reality of the European and Latin American countries.

### Specific skills:

- CE3.- - Acquire capabilities for economic analysis of open economies, understanding of the usual concepts and techniques of the theory of international macroeconomic, international trade and trade policies.
- CE9.- - Strengthen and/or acquire Mathematical Analysis skills for Economics.
- CE15.- - Acquire the ability to critically analyse, synthesize and summarize economic-business information using the quantitative tools in the different economic-business fields.

### Learning outcomes:

The study of the causes and consequences of international trade is essential for the training of any economist and constitutes an essential tool for those who direct their activity towards the field of economics and international business. Although in this course great attention is paid to theoretical models, analytical techniques and contrasting them with the available empirical evidence, their presentation is always motivated by concrete problems in the real world. The analysis of practical cases allows students to verify the usefulness of theoretical models and helps stimulating their interest in studying them.

## 3. CONTENT

### SUBJECT 1. Introduction

- The international economy in the era of globalization.
- International trade and finance.

- 1 subject, 1 lecture

<p><b>PART I. THE BASIC MODELS OF INTERNATIONAL TRADE</b></p> <p><b>SUBJECT 2. Labor Productivity and Comparative Advantage: the Classic Model</b></p> <ul style="list-style-type: none"> <li>• The classical theory of comparative advantage. Ricardo's model.</li> <li>• The pattern of international trade.</li> </ul> <p><b>SUBJECT 3. The neoclassical model</b></p> <ul style="list-style-type: none"> <li>• The model of specific factors of production.</li> <li>• The Heckscher-Ohlin-Samuelson model.</li> </ul> <p><b>SUBJECT 4. New explanations of international trade</b></p> <ul style="list-style-type: none"> <li>• A more general model of international trade, the standard model.</li> <li>• Economies of scale, external economies and imperfect competition.</li> </ul>	<ul style="list-style-type: none"> <li>• 3 subjects, 15 lectures</li> </ul>
<p><b>PART II. INTERNATIONAL TRADE POLICIES</b></p> <p><b>SUBJECT 5. Trade Policy Instruments</b></p> <ul style="list-style-type: none"> <li>• Tariffs and subsidies.</li> <li>• Restrictions on exports and other instruments</li> </ul> <p><b>SUBJECT 6. The Political Economy of Trade Policy</b></p> <ul style="list-style-type: none"> <li>• Free trade vs protectionism.</li> <li>• Income distribution and trade policy.</li> <li>• Trade policy disputes.</li> </ul>	<ul style="list-style-type: none"> <li>• 2 subjects, 8 lectures</li> </ul>
<p><b>PART III. GLOBALIZATION</b></p> <p><b>SUBJECT 7. The international movements of factors</b></p> <ul style="list-style-type: none"> <li>• International labor mobility.</li> <li>• Capital mobility and multinational companies.</li> </ul> <p><b>SUBJECT 8. The problems of globalization</b></p> <ul style="list-style-type: none"> <li>• The political trilemma of globalization.</li> <li>• Income distribution and trade policy.</li> </ul>	<ul style="list-style-type: none"> <li>• 2 subjects, 7 lectures</li> </ul>

## 4. TEACHING AND LEARNING METHODS

### 4.1. Number of hours

Total hours in classroom: 48	<ul style="list-style-type: none"> <li>• Theory lectures: 22,5</li> <li>• Practical classes: 22,5</li> <li>• Exams: 3</li> </ul>
Total hours of individual study: 102	<ul style="list-style-type: none"> <li>• Solving problem sets, required readings, individual and group works</li> </ul>
Total: 150 hours	

### 4.2. Learning activities, materials, and resources

- Theory lectures to present the topic, introduce students to a complex topic, draw conclusions.
- Practical session for solving exercises and practical application of theoretical content.
- Solving problem sets, carrying out individual and group works.
- Reading of articles, books and different documents
- Debates on a topic proposed by the teacher
- Search for information and use of electronic resources (web pages, online dictionaries, etc.)
- Attention to students individually or collectively for the holding of tutorials, in order to carry out an adequate follow-up of them
- Consult the teacher in the Virtual Classroom
- Application of teaching innovation techniques (cooperative learning, flipped learning, role-playing games, gamification methods, blended learning...)
- We will collaborate with CRAI-Library professionals so that students carry out an activity that develops informational skills in the use and management of information" As agreed at the last Faculty Meeting on March 11, 2019, it is important that a University student possesses informational skills and competencies, it being appropriate for the training to be provided by the Library.

## 5. EVALUATION: Exams, evaluation criteria and grades<sup>1</sup>

### Assessment criteria:

- Understand of the main concepts, models and ideas and how to apply them.
- Ability to integrate and relate the different models and apply them to different situations.
- Properly solve practical cases, exercises and activities.
- Synthesize ideas in an integrated way and propose coherent, reflective and critical reasoning in exams and assignments.
- Oral or written expository clarity and rigor in the justification and presentation of the works.

### Assessment method:

Throughout the course, evaluation methods will be implemented to assess the extent to which students achieve the competencies related to the subject. In accordance with the provisions of the regulations governing learning assessment processes approved by the Governing Council on March 24, 2011, to pass the subject all students must submit to the **continuous assessment system**. Only exceptionally can a student take a final exam in May.

The continuous assessment system will be based on the control and monitoring of the student's work throughout the course. It will be adapted to the teaching resources and the number of students per group, and will be communicated in a timely manner at the beginning of the classes. None of the planned tests will mean more than 40% of the continuous assessment grade. Specifically, the evaluation may include:

- Written tests on the theoretical and practical knowledge acquired through the face-to-face classes and the individual work of the student. These tests will assess the skills associated with the acquisition of fundamental knowledge.
- Individual and group work and exercises that will sometimes be presented in class and form a student portfolio based on the practical sessions. These regular tests will assess the skills associated with the search for information, the ability to interpret, communicate and work as a team, and the specific knowledge of the students.

To pass the subject, a minimum score of 5 points out of 10 of the average grade must be obtained among the tests that are evaluated.

The extraordinary evaluation in June (resit) consists of a final exam.

### Grades:

The student will receive a numeric decimal grade which corresponds to a qualitative classification. (This conforms to the European Credit Transfer System Royal Decree 1125/2003 which stipulates that the student must receive a numeric decimal grade and a qualitative classification). The scale is as follows:

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<sup>1</sup> Following the Regulations governing learning assessment processes, approved by the Governing Council on March 24, 2011 and the Regulations of the Governing Council on July 16, 2009.

0,0 – 4,9 FAIL (SS)  
5,0 – 6,9 PASS (AP)  
7,0 – 8,9 VERY GOOD (NT)  
9,0 – 10 EXCELLENT (SB)  
9,0 – 10 OUTSTANDING (limited to a maximum of 5% of students)

## 6. BIBLIOGRAPHY

### Main textbooks:

Krugman, P., Obstfeld, M., & Melitz, M. (2021). International Economics: Theory and Policy, 12<sup>th</sup> edition.

<http://www.pearsonhighered.com/krugman/>

Feenstra, R. C., & Taylor, A. M. (2021). International trade. Macmillan, 5<sup>th</sup> edition.

<https://store.macmillanlearning.com/us/product/International-Trade/p/1319218458>

### Additional reading:

Markusen, J. R., Melvin, J. R., Kaempfer, W. H. & Maskus, K. E. (1995). International Trade. Theory and Evidence. McGraw Hill.

Caves, R. E., Frankel, J. A. & Jones, R. W. (2007). World Trade and Payments: An Introduction. Prentice Hall.

Tugores Ques, J.(2005). International Economics. McGraw-Hill.

Marrewijk, C. (2004). International Trade and the World Economy. Oxford University Press.

De la Dehesa, G. (2009). What do we know about globalization?: issues of poverty and income distribution. John Wiley & Sons.

## 7. ADDITIONAL INFORMATION

The University of Alcalá guarantees its students that, if due to health requirements the competent authorities impede the total or partial presence of the teaching activity, the academic plans would achieve their objectives through a teaching-learning and evaluation methodology in online format, which It would return to the face-to-face mode as soon as said impediments ceased.