



International Trade (2011-2012)

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Presentation

Department: Economics

Degree: Economics / Business Administration (optional)

School: Economics and Business Administration

Year: 3rd

Credits (ECTS): 6

Semester: 1st

Students number of hours of work (approx.): 150

Requirements: none

Language: English

Website: <http://www.unav.es/espacio/comerciointernacionaling/>

Timetable (English):

Wednesday, 15.00-15.45. Law Building, Lecture Theatre 4

Thursday, 15.00-16.45. Law Building, Seminar Room S280

Lecturer:

- Javier Elizalde Blasco
- <http://www.unav.es/facultad/econom/javier-elizalde>
- Email: jelizalde@unav.es
- Office hours: Wednesday, 9.30-11.30, 16.00-17.00
- Office: 2921 Economics Building

Objectives

The course is focused on the study of international trade.

First of all, we will pay attention to the evidence on countries behaviour regarding foreign trade that, joint with the study of several economic theories on this topic, will allow us to understand the pattern of trade between countries. The student will be able to understand the importance of international trade in current economies as well as to get a solid knowledge of some theoretical models of international trade.

The student will also be able to learn about some of the most controversial issues around international trade, starting from the classical discussion of free trade versus protectionism. One of the objectives of this course is to help the student to reach a rigorous and well informed opinion about these issues.

Acquisition of competences

In this course there are a number of competences that the student will work on.

1. Development of logical reasoning.
2. Ability of analysis and synthesis of the defined problems.
3. Motivation and self-improvement.
4. Sense of responsibility and effort.
5. Ability of oral communication.
6. Ability of team work.
7. Ability of critics and self-critic.
8. Foster the abilities of innovation and leadership.
9. Planning of tasks and time management.
10. Punctuality and ethics at work.
11. Ability of autonomous learning.
12. Interdisciplinary vision of the economic problems.
13. Initiation in basic research techniques as well as the written expression of the results in deep but brief works.
14. The necessary control of English to use scientific bibliography in that language and to be able to carry out written work and oral presentations.
15. Foster the sensitivity towards the ethical, social and environmental problems of the economic issues.
16. Development of an integral vision of the phenomena that transform the international economic environment.
17. Knowledge and management of the model and rigorous arguments that are used in the debate of the profits and costs of international trade.
18. Acquire concepts, theories and models that allow the student to form rigorous opinions about the reality of the global economic environment.
19. Ability to combine and complete the economic reasoning with those of other disciplines.

Methodology

- The dynamics of the course is mainly based on the learning of the main economic models on international trade, necessary to understand some aspects such as the pattern of international trade, countries specialization, income distribution caused by trade, barriers to trade and protectionism.
 - The learning of the models requires the understanding of the fundamental concepts that the model tries to explain. Afterwards all the assumptions of the models are explained in detail and all the equations and graphs are performed. Finally, a lot of attention is paid to the models results in order for the student to understand the conclusions of that theory and the reasons why the model is used.
 - Developing theoretical models is complemented with performing practical problems that help understand the model and the role played by each of the assumptions on the exercise results and therefore on the models conclusions.
 - The students will perform five evaluable assignments, each for each chapter, that are worth a 20% of the final grade.
 - Moreover, the students will perform a work in pairs in which they will discuss an article about some of the hottest topics of international trade. This work is worth 20% of the final grade and will be presented in the classroom by each group, what will help the student not only to understand the problem but also to be capable of communicate it to their classmates and the teacher and to achieve critical ability and reasoning.
 - Chapter 6 will mainly consist of classroom discussions on the hottest topics on international trade. For each of those classes, there will be an article that the student has to work on at home and will be discussed in the classroom. The participation in those discussions is worth 10% of the final grade.
 - There is one written exam, that will take place in the December exam period, that will have two parts: the first one is a multiple-choice test with 15 questions, each with four choices and one valid answer. Each correct answer adds one point and each incorrect answer deducts one quarter of a point. The second part consists of two practical exercises corresponding to two of the models studied in chapters 2 to 5.



Time's distribution

- Theoretical lectures: **39** hours.
- Works presentation hours: **6** hours.
- Assignments home working hours: **25** hours.
- Individual study hours: **60** hours.
- Works home working hours: **20** hours.



Time schedule

Week	Chapter	Theoretical lectures	Works presentation hours	Assignments home working hours	Individual study hours	Works home working hours
1	1	3	0	0	2	0
2	2	3	0	0	4	0
3	2	3	0	2	5	0
4	3	3	0	0	4	0
5	3	3	0	0	5	0
6	4	3	0	5	4	0
7	4	3	0	0	5	0
8	5	3	0	0	4	0
9	5	3	0	6	5	0
10	5	3	0	0	5	0
11	5	3	0	0	5	0
12	6	3	0	6	3	10
13	6	3	0	0	3	10
14	Works presentation	0	3	6	3	0



15	Works presentation	0	3	0	3	0
		39	6	25	60	20



Evaluation

ORDINARY EVALUATION (DECEMBER):

- Assignments (chapters 1-5): 20%.
- Participation in discussions (chapter 6): 10%.
- Group work: 20%.
- Final paper: 50%.

A minimum of 4 in the final exam is required to pass the course.

EXTRAORDINARY EVALUATION (JUNE):

There is an exam with the same structure as the Decembers that is worth 100% of the final grade.

Syllabus

1. Main patterns of international trade
2. Gains from international trade. Ricardian model
3. Who gains and who loses. Specific factors model
4. Specialisation. Factor-proportions model
5. Barriers to free trade
6. Discussion free trade Vs protectionism



Bibliography

Book of reference:

PAUL R. KRUGMAN, MAURICE OBSTFELD: International trade. Theory and policy, Addison Wesley editors.

Links of interest:

This is a selection of some of the Internet sites where you can find relevant material for the courses program:

[World Trade Organization, Statistics](#)

[World Trade Organization, Regional Trade Agreements](#)

[UNCTAD, International Trade](#)

[UNCTAD, Globalization and Development](#)

[Ministerio de Industria, Turismo y Comercio, Estadísticas de Comercio Exterior de España y Europa](#)

[Ministerio de Industria, Turismo y Comercio, Estadísticas de Inversión Extranjera Directa](#)



Organization Theory (2011-2012)

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PRESENTATION

Instructor

Szabolcs Sebrek
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Course characteristics

- Elective in IDE and IDM. 4.5 credits.
 - Number of ECTS credits: 3.5 (unofficial estimation).
 - Course offered in the second semester (February-June).
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Class schedule

- Monday, 11:00 to 2:00pm, Room 03, Social Sciences Building.
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Office hours

- Tuesday, 10am to 11 am.
- Friday, 10am to 11 am.

By appointment: ssebrek@unav.es

COURSE GOALS

The main goal of this course is to analyze how Economic Theory can be used to understand crucial aspects of organizations. In order to analyze the main features of organizations we will use, at the theoretical level, techniques developed in Game Theory and at the empirical level we will use Experimental Economics tools. We will first present the existing theories of the firm before analyzing in a second part the boundaries of organizations. In the third part of this course we will use principal-agent models in order to derive a theory of incentives setting in firms. We then draw on the previous models to analyze issues of cooperation in organizations.

The approach is both empirical and theoretical. This course will make extended use of microeconomic theory as well as experimental Economics. Thus, prior knowledge of Microeconomics is required.

According to this, the following specific skills can be acquired by students:

1. Profound knowledge associated to different Economic Theories that can be used to analyze organizations.
2. Efficiently establish the boundaries of organizations.
3. Finding the strong link between the principal-agent model and theory.

There are general skills and abilities that are attached to IDE and IDM courses. These are the skills that students enrolling the course:

1. Development of logical reasoning.
2. Ability to work in teams.
3. Activity planning and time management.
4. Capacity to develop autonomous learning.
5. Capacity to develop a written project work of high quality.
6. Ability to improve presentation skills.
7. To develop ability on how to analyze real-life business cases through the models learned during the course.

CONTENTS

1. The nature of the firm

- 1.1. Introduction: general knowledge of the firm*
- 1.2. Theories of the firm*
 - 1.2.1. Neoclassical theory
 - 1.2.2. Contractual theory
 - 1.2.3. Agency theory
 - 1.2.4. Behavioral approach of the firm

2. Firms and Markets

- 2.1. Efficiency and limits of the market*
 - 2.1.1. Coordination by prices
 - 2.1.2. Market failures
 - 2.1.3. Coordination by management
- 2.2. Transaction costs*
 - 2.2.1. Asset specificity and incomplete contracts
 - 2.2.2. The hold-up problem
- 2.3. Behavioral approach to the hold-up problem*
- 2.4. Vertical and horizontal boundaries of the firm*

3. Managing the Firm

- 3.1. Selection of employees*
 - 3.1.1. Neoclassical theory
 - 3.1.2. Personnel selection and signaling
 - 3.1.3. Screening
- 3.2. Motivation of employees*
 - 3.2.1. Optimal compensation
 - 3.2.2. Moral hazard
- 3.3. The Behavioral approach of incentives*
 - 3.3.1. Non-monetary incentives
 - 3.3.2. Optimal incentives with social preferences
- 3.4. Teamwork and cooperation*
 - 3.4.1. Moral hazard in teams
 - 3.4.2. Behavioral approach of cooperation



METHODOLOGY

The student is expected to:

- Attend all lectures.
- Read the assigned sections in the lecture notes and possibly in books, as well as other required readings.
- Take the final exam and the midterm exam.

The estimated time distribution is:

- Lectures: 45 hours.
- Reading and personal study: 30 hours.
- Exams: 4 hours.



GRADING POLICY

Your grade will be a weighted average of:

- Midterm: 30% of the final grade
- Project work: 15% of the final grade
- Presentation: 15% of the final grade
- Final exam: 40% of the final grade

All the items are mandatory.

There is a possibility for extra presentations to ardent students or for those having low points in the midterm.

REFERENCES

The fundamental reference is:

- Brice Corgnet and Pedro Mendi, Economics and Psychology of Organizations, lecture notes, University of Navarra, 2008.

Other references may be useful and in particular:

- Paul Milgrom and John Roberts, Economics, Organizations, and Management, Prentice Hall 1992.
- Besanko, David, David Dranove and Mark Shanley, "The Economics of Strategy".

For the third part of the course (managing the firm) the following references are useful:

- Lazear, Edward, "Personnel Economics for Managers".
- Armin Falk, "Behavioral Labor Economics", lecture notes IZA.

These references will also be useful:

- Acs, Zoltan and Daniel Gerlowski, "Managerial Economics and Organization".
- Oliver Hart, "Firms, Contracts, and Financial Structure".



ADDITIONAL READINGS

- **Part 1. The nature of the firm**
 - "[The Nature of the Firm](#)", by Ronald Coase is a *required reading*.
- **Part 2. Firms and marks**
 - "[Transaction-cost Economics](#)", by Oliver Williamson is a *required reading*.
- **Part 3. Managing the firm**
 - "[Performance pay and productivity](#)" by Edward Lazear is a *required reading*.
 - "[Psychological foundations of incentives](#)" by Ernst Fehr and Armin Falk is a *required reading*.