



Til: Programrådet
Fra: Emneansvarlig for ECON4415 – Fernando Stipanovic
Sak: Sak 04/2024
Sak: Pensumendring i ECON4415
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This syllabus is basically the same (re-ordered) as the one that was used in previous years, with the exception that I added one paper in the Trade and Heterogeneous firms section (Eaton and Kortum 2002).

I. References

Required textbooks

Feenstra, Robert C [RFN]., 2016, Advanced International trade: Theory and Evidence. Princeton University Press.

Supplementary textbooks

Dixit, Avinash and Victor D. Norman [DN], 1980, Theory of International Trade: A Dual, General Equilibrium Approach. Cambridge Economic Handbooks. Cambridge University Press.

P.R. Krugman [PRK], 1990, Geography and trade, MIT Press, 1990. Krugman and Obstfeld. International Economics: Theory and Policy, 10th ed.

II. Topics and selected reading

(preliminary, changes may occur)

1. Introduction, Gains from Trade and the Law of Comparative Advantage

Essential

RFN ch. 7

Recommended

Dixit, A., and V. Norman. "Gains from Trade without Lump-Sum Compensation." Journal of International Economics 21, no. 1–2 (1986): 111–22.



Samuelson, P. "The Gains from International Trade." *Cambridge Journal of Economics* (1939): 195–205.

2. Technological Differences and Trade: The Ricardian Model

Essential

RFN ch 1 & 3

Dornbusch, R., S. Fischer, and P. Samuelson. 1977. Comparative Advantage, Trade and Payments in a Ricardian Model with a Continuum of Goods. *American Economic Review* 67: pp. 823-839.

Recommended

DN ch. 2-4

3. The Specific Factor Model: Ricardo-Viner

Essential

RFN ch. 3

Recommended

DN ch. 4

Jones, R., and P. Neary. "The Positive Theory of International Trade." pp. 21–7 in Jones, Ron, and Peter Kenen. *Handbook of International Economics*. Vol. 1. North Holland, 1998.

4. Factor Proportion Theory

Essential

RFN ch 2.

Recommended

Dornbusch, R., Stanley Fischer, and Paul A. Samuelson. "Heckscher-Ohlin Trade Theory with a Continuum of Goods." *The Quarterly Journal of Economics* 95, no. 2 (1980): 203–24.

DN ch. 2-4

5. Imperfect Competition and Trade

Essential

Krugman, P.: "Scale Economies, Product Differentiation, and the Pattern of Trade" in *American Economic Review* 70, 1980. pp 950-959



6. Trade and Heterogeneous Firms

Essential

Melitz, M. J. (2003): "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity," *Econometrica*, 71(6), 1695–1725.

Bernard, A. B., J. Eaton, B. Jensen, and S. Kortum (2003): "Plants and Productivity in International Trade," *American Economic Review*, 93(4), 1268–1290.

Chaney, T. (2008), "Distorted Gravity: The Intensive and Extensive Margins of International Trade," *American Economic Review*, 98(4), 1707-1721

Pavcnik, N. (2002): "Trade Liberalization, Exit, and Productivity Improvements: Evidence from Chilean Plants", *Review of Economic Studies* 69, 245-76.

Eaton, J., S. Kortum (2002) "Technology, Geography, and Trade," *Econometrica*, 70(5), 1741-1779

7. The Gravity Equation

Essential

Feenstra ch. 5 & 6

Head, K. and T. Mayer (2013): "Gravity equations: workhorse, toolkit, and cookbook", CEPR DP 9322

8. Welfare and Trade policy

Essential

FN ch 7-10

Forslag til vedtak:

De foreslåtte endringene i pensumlisten for ECON4415 vedtas gjeldende fra og med høsten 2024.