

Georg-August-Universität Göttingen Module M.WIWI-VWL.0162: Firms in International Trade	6 C 4 WLH
Learning outcome, core skills: After a successful completion of the course students are able to: <ul style="list-style-type: none"> • give an overview of key features of the world trade pattern that cannot be explained by traditional trade theories based on comparative advantage, • understand and explain how models featuring firms in imperfectly competitive environments can rationalize key empirical regularities of current trade flows, • analyze the welfare effects of openness to international trade in a world with firm heterogeneity, • analyze and explain the new distributional effects of international trade resulting from firm heterogeneity. 	Workload: Attendance time: 56 h Self-study time: 124 h
Course: M.WIWI-VWL.0162.Lec Firms in International Trade (Lecture) <i>Contents:</i> I. Intra-industry trade and the Krugman model Discussion of empirical evidence on intra-industry trade. In-depth analysis of the Krugman model as an explanation of the evidence discussed. Model extensions to account for co-existence of intra- and inter-industry trade, the home-market effect, and multi-lateral trade flows in the gravity equation. II. International Trade and Firm Heterogeneity Discussion of empirical evidence on firm-level trade patterns. In-depth analysis of the monopolistic competition model with firm heterogeneity and international trade in final goods as an explanation of the evidence discussed. Effects of trade liberalization on individual firms, on the income distribution, and on aggregate welfare. III. Offshoring and Firm Heterogeneity Discussion of empirical evidence on the link between firm characteristics and the incidence of offshoring. Modelling the offshoring decision at the firm level, and its link to general equilibrium outcomes regarding welfare, firm-level employment, and the income distribution. IV. Labour Market Effects of International Trade Discussion of empirical evidence linking firm characteristics and firm export behavior to firm-level wages. Analysis of international trade on welfare, income distribution and unemployment in the presence of firm heterogeneity and labour market imperfections.	2 WLH
Course: M.WIWI-VWL.0162.Ex Firms in International Trade (Exercise) <i>Contents:</i> In the accompanying practice session students deepen and broaden their knowledge from the lectures.	2 WLH
Examination: Written examination (90 minutes) M.WIWI-VWL.0162.Mp: Firms in International Trade	6 C
Examination requirements:	

<ul style="list-style-type: none"> • Demonstrate a knowledge of the modern theoretical models that are used to explain intra-industry and firm-level trade patterns, • show the ability to analyze the welfare and distributional effects of international trade and offshoring in those frameworks. 	
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Admission requirements: none	Recommended previous knowledge: Microeconomics
Language: English	Person responsible for module: Prof. Dr. Udo Kreickemeier
Course frequency: each winter semester	Duration: 1 semester[s]
Number of repeat examinations permitted: twice	Recommended semester: 1 - 4
Maximum number of students: not limited	