

International Economics  
Syllabus Fall 2017 (to be completed)  
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This course offers an introduction to international economics for Phd students. It is the first graduate course on the subject and is a prerequisite for the Spring semester courses in advanced international macroeconomics offered by Nicolas Coeurdacier and in advanced international trade offered by Thomas Chaney.

The focus is on trade and international macro theory, but the course also address some empirical facts and quantitative methods in modern international trade and macroeconomics.

International trade:

- 1) Classical theory: basics and modern approaches (theory and empirics)
  - a. Basic Ricardian model
  - b. Trade and factors of production (HOV)
  - c. Eaton and Kortum, (2012)
- 2) Trade with increasing returns, monopolistic competition and the Home Market Effect
  - a. New Trade Theory: Krugman (1979)
  - b. Monopolistic competition à la Dixit-Stiglitz (1979)

International macroeconomics:

- 1) Current account dynamics, international capital flows and valuation effects
  - a. Intertemporal approach to the current account (theory and empirics)
  - b. Stylized facts on capital flows
  - c. External adjustment
- 2) International prices and exchange rates
  - a. Real exchange rates and purchasing power parity
  - b. The theory and empirics of international prices and exchange rates
- 3) The international transmission mechanism
  - a. Review of the Dornbush model
  - b. Introduction the New Open Economy Macroeconomics