EXAMINATIONS:

There will be a take-home midterm examination (in accordance with the next paragraph), and a 3-hour final examination (to be scheduled by the University). In the determination of the overall final grade for the course, the midterm examination will have a weight of 40%, and the final examination will have a weight of 60%.

Questions for the midterm examination should be taken from the instructor on October 30 at 4:30 p.m. in class. Answers to the questions must be given to the instructor on November 6 at 2:35 p.m. in class. Answers must be typewritten.

COURSE OUTLINE AND READINGS:


I. DETERMINANTS OF TRADE AND SPECIALIZATION

A. Ricardian (and Related) Theory


B. Heckscher-Ohlin-Samuelson (and Related) Theory


C. Empirical Verification of Ricardian and Heckscher-Ohlin-Samuelson Theories

Deardorff, A.V., "Testing Trade Theories and Predicting Trade Flows", in Jones and Kenen.


**D. Some Other Explanations of Trade and Their Empirical Verification**


II. GAINS FROM TRADE AND COMMERCIAL POLICY

A. Trade Versus Autarchy


B. Departures from Free Trade


*Bhagwati, J., "On the Equivalence of Tariffs and Quotas", in Baldwin et al.


**C. Customs Unions and Multi-Country Trade Liberalization**


**III. INTERNATIONAL MOBILITY OF FACTORS**


**IV. TRADE, GROWTH AND DEVELOPMENT**


Findlay, R., "Growth and Development in Trade Models", in Jones and Kenen.


*Findlay, *Factor Proportions, Trade, and Growth*, chapters 2 and 3.
