



Course and Examination Fact Sheet: Spring Semester 2025

8,264: International Trade

ECTS credits: 4

Overview examination/s

(binding regulations see below)

decentral - Presentation, Analog, Group work individual grade (20%)

Examination time: Term time

decentral - Written examination, Analog, Individual work individual grade (80%, 90 mins.)

Examination time: Term time

Attached courses

Timetable -- Language -- Lecturer

[8,264,1.00 International Trade](#) -- English -- [Föllmi Reto](#)

Course information

Course prerequisites

Basics in micro- and macroeconomics. Working knowledge of micro theory.

The course aims mainly at MEcon, MiQEF and MIA students.

Learning objectives

Learning goals: The participants of the course acquire knowledge on why countries trade, how they (might) benefit, how trade policy works, and how to study international trade empirically, building on a solid understanding of basic micro- and macroeconomics. This should support them in forming and expressing critical views on public and policy debates in this area.

Qualifications: The course prepares students for a high-quality level analysis of international trade. This skill is essential for both academic and applied research. Many of the methods and topics discussed in this course are required for graduate level research (in a PhD program) or applied research at central banks, government agencies and alike.

Course content

Why do countries trade and who gains from trade liberalization and globalization? To answer these central questions, this course provides an in-depth treatment of modern theories of international trade. We discuss their empirical validity, analyze their predictions regarding welfare and illustrate their relevance by anecdotal evidence.

First, we review classical trade theory: trade due to productivity differences (Ricardo-model), the competitive two-sector model, trade due to different factor endowments (Heckscher-Ohlin), specific-factor models (Ricardo-Viner). We investigate the general reason why there are gains from trade and discuss the empirical validity of classic trade models. Second, we turn to the new trade theory: intra-industry trade due to specialization (Krugman model), the empirical counterpart: the gravity equation. Furthermore, we highlight reasons why similar countries trade more (Linder-Hypothesis) and the selection effect of trade (Melitz model).

Course structure and indications of the learning and teaching design

Weekly lectures combined with exercises and student presentations.

Course literature



- Reto Foellmi and Stefan Legge, *Lecture Notes in International Trade*, Book Manuscript, Oxford University Press, 2025

- Robert C. Feenstra, *Advanced International Trade: Theory and Evidence*, Second Edition, Princeton University Press, 2016

Further reading:

- Jones, Ronald; *Globalization and the Theory of Input Trade*, MIT Press, 2000.

- Markusen, James, James Melvin, William Kaempfer, and Keith Markus; *International Trade: Theory and Evidence*, McGraw Hill, 1995.

References to journal articles and working papers are given in class.

Additional course information

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination modalities

Examination type	Presentation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Asynchronous
Examination location	Off Campus
Grading type	Group work individual grade
Weighting	20%
Duration	--

Examination languages

Question language: English

Answer language: English

Remark

Summary & Presentation

Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

Supplementary aids

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2. Examination sub part (2/2)

Examination modalities



Examination type	Written examination
Responsible for organisation	decentral
Examination form	Written exam
Examination mode	Analog
Time of examination	Term time
Examination execution	Synchronous
Examination location	On Campus
Grading type	Individual work individual grade
Weighting	80%
Duration	90 mins.

Examination languages

Question language: English

Answer language: English

Remark

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Examination-aid rule

Closed Book

The use of aids is prohibited as a matter of principle, with the exception of pocket calculator models of the Texas Instruments TI-30 series and, in case of non-language exams, bilingual dictionaries without any handwritten notes. Any other aids that are admissible must be explicitly listed by faculty members in the paragraph entitled "Supplementary aids" of the course and examination fact sheet; this list is exhaustive.

Procuring any aids, as well as ensuring their working order, is the exclusive responsibility of students.

Supplementary aids

none.

Examination content

I. Written Exam

Material covered in class, slides chapters 1 to 8 and the exercises. Content of the independent studies: presentations and referee reports.

II. Short Summary with Presentation

More details in the course outline on Canvas.

Examination relevant literature

Reto Foellmi and Stefan Legge, Lecture Notes in International Trade, Manuscript, 2020



Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 13 (Monday, 25 March 2025) are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 23 January 2025);
- Examination information (supplementary aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 17 March 2025);
- Examination information (supplementary aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 14 (Monday, 31 March 2025);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before ending with de-registration period in CW 15 (Monday, 07 April 2025).