



AYDIN ADNAN MENDERES UNIVERSITY COURSE INFORMATION FORM

Course Title		International Economic Theory							
Course Code		İKP511		Course Level		Second Cycle (Master's Degree)			
ECTS Credit	5	Workload	130 (<i>Hours</i>)	Theory	3	Practice	0	Laboratory	0
Objectives of the Course		To give information about the reasons for foreign trade and theories that regulates international economic relations, by examining the international dimension of the economic relations.							
Course Content		Introduction to Neoclassical Trade Theory, Gains from Trade in Neoclassical Trade Theory, The Basis for Trade: Factor Endowments and The Heckscher-Ohlin Model, Post Heckscher-Ohlin Theories of Trade and Intra Industry Trade, Economic Growth and International Trade, International Factor Movements, The Instruments of Trade Policy, The Impact of Trade Policies.							
Work Placement		N/A							
Planned Learning Activities and Teaching Methods				Explanation (Presentation), Individual Study					
Name of Lecturer(s)		Prof. Ahmet Can BAKKALCI							

Assessment Methods and Criteria

Method	Quantity	Percentage (%)
Midterm Examination	1	40
Final Examination	1	60

Recommended or Required Reading

1	Halil Seyidoğlu, Uluslar arası İktisat, Teori,Politika ve Uygulama, 17.Baskı, Güzem Can Yayınları, 2009
2	Dominick Salvatore, International Economics, Sixth Edition, John Wilw and Sons Inc, 1999
3	Paul Krugman, Maurice Obstfeld, Marc Melitz, International Economics Theory and Policy, Ninth Edition, Addison-Wesley, 2012

Week	Weekly Detailed Course Contents	
1	Theoretical	Emergence of International Trade Theory, Mercantilism, Classical Liberalism and A. Smith, Analysis of International Trade Theory, Theory of Absolute Advantage, The Model of Comparative Advantage
2	Theoretical	Opportunity Costs and Foreign Trade, Transformation Curves, Fixed Costs and Foreign Trade, Increasing Costs and Foreign Trade, Diminishing Costs and Foreign Trade
3	Theoretical	Models of Supply and Demand, Terms of Trade, Law of Reciprocal Demand, Offer Curves, Useful of Offer Curves, Shifts of Offer Curves
4	Theoretical	Social Indifference Curves, Closed Economy Equilibrium, Open Economy Equilibrium, Benefits of International Trade
5	Theoretical	Theory of Factor Endowments, Heckscher-Ohlin Theory, Theorem of International Factor Prices Equalization, The Stolper-Samuelson Theorem, The Specifics Factors Model
6	Theoretical	Tests of Factor Endowments Theory, Leontief Paradox, Skilled Labor Theorem, Theorem of Technological Gap, Product Cycle Model, Theorem of Similarity in Preferences, Economies of Scale Theorem, The Monopolistic Competition Theorem, Intra-Industry Trade and Inter-Industry Trade, Measurement of Intra-Industry Trade, Transports Costs and Foreign Trade
7	Theoretical	Analyses of Economic Growth and International Trade, Increases in Factor Supply and International Trade, The Rybczynski Theorem, Technological Development, Unbiased Technological Development, Labor-Saving Technological Progress, Capital-Saving Technological Progress, Immiserizing Growth, Terms of Trade and Less Developed Countries, Economic Development and Comparative Advantages
8	Intermediate Exam	Midterm Exam
9	Theoretical	Policies of Foreign Trade, Objectives of Foreign Trade Policy, Instruments of Foreign Trade Policy, Historical Foreign Trade Policies
10	Theoretical	Protectionism in Foreign Trade, Causes of Protectionism, National Security, Infant Industry Argument, Strategic Trade Policy, Protectionism against Damping, Improvement of Balance of Payment Deficits, Decreasing Unemployment, Improvement of Terms of Trade, Arguments Based on Personal Interest
11	Theoretical	Tariffs, Economic Effects of Tariffs, Economic Effects According to Partial Equilibrium Analysis, Rant Effects of Tariffs, Macroeconomic Effects of Tariffs
12	Theoretical	Terms of Trade and Optimum Tariffs, Reflection of Tariffs, Effective Protection Rates, Specific International Trade Regime, Tariffs in Turkey



13	Theoretical	Import Quotas, Import Bans, Exchange Control, System of Multiple Exchange Rate, The new protectionism Voluntary Exports Restrictions, Standards of Health, Security and Environment, Administrative Regulations
14	Theoretical	Exports Subsidies, Variable Levy on Imports, Exports Taxes, Cartels and Monopoly of Exports
15	Theoretical	Globalization, World Trade Organization (WTO), GATT, Policies and Principles of GATT, GATT Meetings, Tasks and Activities of WTO, Types of Economic Integration, Free Trade Association, Custom Unions (CU), Economic Effects of CU, Economic Union, The Second Best Theory, Economic Integrations and Less Developed Countries
16	Final Exam	Final Exam

Workload Calculation

Activity	Quantity	Preparation	Duration	Total Workload
Lecture - Theory	14	4	3	98
Midterm Examination	1	10	1	11
Final Examination	1	20	1	21
Total Workload (Hours)				130
[Total Workload (Hours) / 25*] = ECTS				5

*25 hour workload is accepted as 1 ECTS

Learning Outcomes

1	To understand the causes of international trade
2	To demonstrate theoretical substructure of international trade
3	To evaluate the objectives and instruments of foreign trade policy
4	To determine the general framework of international monetary relations
5	To assess macroeconomic international relations

Programme Outcomes (Economic Policy Master)

1	To be able to understand and interpret basic economic concepts, theories and methods
2	To be able to apply mathematical, statistical and econometric analysis tools to economic problems
3	To be able to interpret the structure and characteristics of the markets in the economy by understanding current economic events.
4	To be able to describe the role of innovation, creativity and technology in the dynamic global economy.
5	Ability to prepare projects and acquire creativity skills
6	Ability to analyze macro and micro economic developments
7	Being able to adopt the philosophy of lifelong learning

Contribution of Learning Outcomes to Programme Outcomes 1:Very Low, 2:Low, 3:Medium, 4:High, 5:Very High

	L1	L2	L3	L4	L5
P1	4	4	4	3	3
P2	3	3	3	4	4
P3	4	4	4	3	3
P4	3	3	3	4	4
P5	4	4	4	3	3
P6	3	3	3	4	4
P7	4	4	4	3	3

