

Master of European and International Private Banking (M2 EIPB)

Titre du Cours :	Financing International Trade (GMEIPB41)
<i>Course Title:</i>	
Heures :	20h
<i>Lecture hours:</i>	
ECTS Credits:	3

➤ **PRÉ-REQUIS / PREREQUISITES**

Basic elements of public and private finance

➤ **COMPÉTENCES ACQUISES À LA FIN DU COURS / LEARNING OBJECTIVES**

The **aim of the course** is to examine the logic and benefits of international trade and investments, by using theory and case studies; policy interventions such as tariffs and non-tariff barriers; the effects of trade, investment and related policies on businesses, consumers and countries; and the global framework of international trade agreements. Frequently **used key-terms** are: international trade, exchange rate, international policy, global economy, import, export, capital market, tariffs, instruments of trade policy, liberalization, banking, crisis, reform, developing countries.

➤ **CONTENU DU COURS / COURSE OVERVIEW**

The course focuses on **international financial management** and **international trade**. The course aims to explain patterns of world production and trade and inquire if international trade is beneficial, with the help of models from international trade theory. The course also explores the phenomena of outsourcing and international mobility of labour (immigration) and capital (Foreign Direct Investment (FDI)). The course analyzes and compares instruments of trade policy and evaluates their impact on domestic and international welfare.

➤ **LISTE DES SUJETS OU RESUMÉ DES SÉANCES / LIST OF TOPICS PER SESSION OR SUMMARY OF THE COURSE**

3 face to face meetings:

- *First meeting: 14th of March 2019 (8h)*

Introduction to Financing International Trade

- The gains from trade
- Patterns of trade
- How much trade?
 1. Balance of Payments
 2. Exchange rate
 3. International policy coordination
- The international Capital market

CHAPTER 1: World Trade: An Overview

- Who trades with whom? (The Gravity Model)
- The changing pattern of world trade
- Do old rules still apply?

-Second meeting: 15th of March 2019 (8h):

CHAPTER 2: Firms in the Global Economy

- The theory of Imperfect Competition
- Monopolistic Competition and Trade
- Firm Responses to Trade
- Trade Costs and Export Decisions
- Dumping (plus Case studies)

CHAPTER 3: The Instruments of Trade Policy

- Basic Tariff Analysis
- Costs and Benefits of Tariffs
- Other Instruments of Trade Policy
- The effects of trade policy
- Case studies

CHAPTER 4: The Political Economy of Trade Policy

- The Case for Free Trade
- National Welfare against free trade
- Income distribution and trade policy
- International Negotiations and Trade Policy
- Case studies

CHAPTER 5: Trade Policy in Developing Countries

- Import – Substituting Industrialization
- Results of Favours Manufacturing
- Trade Liberalization since 1985
- Trade and growth: takeoff in Asia
- Case study: India, Mexico
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-Third meeting: 16st of March 2019 (4h): - Final evaluation

➤ **METHODE D'EVALUATION (CONTROLE CONTINU) / ASSESSMENT AND GRADING**

- Attendance : 20%
- Class participation or activity: 30%
- Exam/oral examination (a project) : 50%

➤ **REFERENCES BIBLIOGRAPHIQUES / BIBLIOGRAPHY**

➤ **TEXTBOOKS (REQUIRED):**

- KRUGMAN, P. R., OBSTFELD, M., AND MELITZ, M. J. (2015), *INTERNATIONAL ECONOMICS: THEORY AND POLICY* (TENTH EDITION/GLOBAL EDITION), PEARSON EDUCATION, HARLOW, ISBN-10: 0133423646, ISBN-13: 978-0133423648.
- FEENSTRA, ROBERT C., AND ALAN M. TAYLOR (2017), *INTERNATIONAL ECONOMICS*, FOURTH EDITION, NEW YORK: WORTH PUBLISHERS, ISBN-10: 1-319-06171-0, ISBN-13: 978-1-319-06171-5.

➤ **TEXTBOOKS (SUGGESTED):**

- FEENSTRA, ROBERT C., AND ALAN M. TAYLOR (2017), *INTERNATIONAL TRADE*, FOURTH EDITION, NEW YORK: WORTH PUBLISHERS, ISBN-10: 1-319-06173-7, ISBN-13: 978-1-319-06173-9.
- W. CHARLES SAWYER (2017), *U.S. INTERNATIONAL TRADE POLICY. AN INTRODUCTION*, PRAEGER, HARDCOVER ISBN-13: 978-1-4408-3367-0, EBOOK: 978-1-4408-3368-7.