SYLLABUS DEL CORSO

Firms and Markets in Global Economies

2526-1-F5603M005-F5603M005-2

Learning objectives

The course aims to equip students with the analytical tools necessary to understand and assess firm behavior in global markets. Emphasis will be placed on key theoretical models, empirical applications, and relevant policy implications.

Contents

• Comparative advantages and specialization
• Economies of scale and monopolistic competition in global markets
• Heterogeneous firms, production, and international trade
• Outsourcing and offshoring
• Trade policy under contractual incompleteness
• Capital market imperfections and the internationalization decision
• The future of globalization

Detailed program

• Comparative Advantages and Specialization

  • Ricardo and Heckscher-Ohlin models
    • Economies of Scale and Monopolistic Competition in Global Markets
  • Krugman model
  • External economies of scale
    • Heterogeneous Firms, Production, and Trade

- Melitz model: Who are the exporters?
- Foreign direct investment (FDI) vs. exports
- Trade in the presence of contractual frictions
  - Outsourcing and Offshoring
- Organizational decisions
- Location strategies
- The multinational enterprise
  - Trade Policy under Contractual Incompleteness
  - Capital Market Imperfections and the Internationalization Choice
  - The Future of Globalization

Prerequisites

A solid understanding of intermediate microeconomics is required.

Teaching methods

Classes will be held in presence and in instructional delivery mode.

Assessment methods

Assessment is based on a written exam lasting 90 minutes, divided into two sections:

- Section 1: Four short-answer questions designed to evaluate the student's ability to apply course concepts to specific economic scenarios (problem solving). Each correct answer is worth 4 points.
- Section 2: Two open-ended questions intended to assess theoretical knowledge and understanding of the models discussed during the course. Each correct answer is worth 8 points.
  The student who has passed the written exam may request to take an oral exam. In this case, the final grade will be the average of the written and oral exam grades, provided that both are satisfactory. A student who fails the oral exam will be required to retake the written exam in a subsequent exam session.
  No midterm exams are scheduled. Assessment tests will take place exclusively during the official exam sessions.

Textbooks and Reading Materials

• Antràs, P. Global Production: Firms, Contracts, and Trade Structure, Princeton University Press, 2015
• Helpman, E. Understanding Global Trade, Harvard University Press, 2011
• Lecture notes available on the Unimib e-learning platform

Semester

I semester

Teaching language

English

Sustainable Development Goals

DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE | REDUCED INEQUALITIES