

Georg-August-Universität Göttingen Module B.WIWI-VWL.0081: Firms and Workers in International Markets	6 C 4 WLH
Learning outcome, core skills: After a successful completion of the course students are able to: <ul style="list-style-type: none"> • give an overview of different internationalisation strategies of firms, • understand and analyse theoretical concepts explaining trade patterns and optimal behavior of firms in international markets, • evaluate the implications of globalisation on firm behavior, consumers and welfare, • apply and critically assess theoretical concepts and empirical methods to explain trade patterns regarding product differentiation, competition, price effects and market frictions. 	Workload: Attendance time: 56 h Self-study time: 124 h
Course: Firms and Workers in International Markets (Lecture) <i>Contents:</i> 1. Introduction to international trade Overview of trade theory and empirical facts about patterns of international trade and multinational activity of firms. 2. Product differentiation in international markets Discussion of different types of product differentiation and related market strategies of internationally active firms. Application of microeconomic concepts and evaluation of their empirical relevance to explain trade patterns. 3. The role of imperfect competition in international trade Mathematical and graphical analysis of trade models with imperfect competition. Welfare effects of dumping in international markets and related evidence. 4. Firm heterogeneity in international markets Discussion of empirical patterns on firms' export behavior. Analysis of theoretical concepts to explain the performance of firms in export markets. 5. Optimal strategies of multinational enterprises Empirical and theoretical analysis of internationalisation strategies that might complement or substitute exporting: foreign direct investments (FDI), offshoring and outsourcing. 6. Product quality and price effects in export markets Analysis of theoretical concepts that allow for differences in product quality, and application to pricing behavior in export markets. 7. The effects of frictions in international markets Effects of trade costs, as well as labour market and credit market frictions on the internationalisation strategies of firms. Discussion of related empirical evidence and application to economic shocks.	2 WLH
Course: Firms and Workers in International Markets (Exercise)	2 WLH

Contents: In the tutorial, students deepen and broaden their knowledge by applying both theoretical concepts and empirical methods developed in the lecture.	
Examination: Written examination (90 minutes) ! Firms and Workers in International Markets	6 C
Examination requirements: <ul style="list-style-type: none"> • Demonstrate a profound knowledge of microeconomic concepts to analyse different internationalisation strategies of firms, • show the ability to evaluate the effects of globalisation on firm behavior, consumers and welfare, using graphical and mathematical tools, • students should be able to apply and critically assess theoretical as well as empirical methods to explain trade patterns. 	
Admission requirements: none	Recommended previous knowledge: B.WIWI-OPH.0007 Microeconomics I, B.WIWI-VWL.0001 Microeconomics II, B.WIWI-VWL.0007 Introduction to Econometrics
Language: English	Person responsible for module: Jun.-Prof. Dr. Florian Unger
Course frequency: each summer semester	Duration: 1 semester[s]
Number of repeat examinations permitted: twice	Recommended semester: 4 - 6
Maximum number of students: not limited	