



Our world is a complex and dynamic system. In a closed economy, consumption cannot be realized beyond the production possibilities. In an open economy however, this is possible: Think of all the different exotic fruits that are available in your local mall or supermarket. This is possible due to the openness of your economy. Free international trade creates markets that would not exist otherwise. Consumption in an economy that is open to international trade is not limited by production capacities, but rather by trade possibilities.

This course has originated at Humboldt University of Berlin and has already been taught in a variety of places, including the University of Minnesota, Louisiana State University, Czech Agricultural University and the National Agricultural University of Kiev. Look at case studies and exercise in order to learn about open economy!

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*An e-Learning course through the world of international trade. The latest topics in business management are presented in a succinct and easily understood manner.*



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# Open Economy

International Trade  
Theory and Policy



## International Trade

What is international trade? Production cost and consumer preferences differ among different countries. Learn what is needed to comply with the varying settings that can be found in our modern world.

In this course, we look at international trade and trade policy.

What we can observe in the real world is that world trade has grown at a very rapid pace and that classical trade models fail to apply to the information age. Take a look not only at neoclassical theories but also at new trade economics and monetary trade theory!

How are domestic markets linked through international trade? Learn what is needed to understand the complex system of international trade flows and capital movements.

Relative prices in the world market differ from relative prices in a closed economy. World trade is a highly dynamic process. To understand the connections and to get a global picture, it is necessary to look at various economic factors in detail.

Key objectives:

- to determine economic causes and consequences of international movements of goods and production factors
- to analyze patterns of international trade and international factor mobility
- to analyze economic effects of trade policy and related economic policy instruments
- to explain political economic reasons for restrictions imposed on international trade and factor movements



## The Author

The author Prof. Dr. Dr. h.c. Harald von Witzke teaches International Trade and Economic Development in the College of Agricultural and Horticultural Sciences at Humboldt University of Berlin. Some of his recent work has focused on international trade negotiations, the determinants of trade policy decision as well as food quality issues and consumer protection.

Some of his work can be found on the web at [www.agrar.hu-berlin.de](http://www.agrar.hu-berlin.de)



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