Comparative Cost Advantage and Factor Endowment

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GRIN Verlag Feb 2010, 2010. Taschenbuch. Book Condition: Neu. 211x146x7 mm. This item is printed on demand - Print on Demand Neuware - Seminar paper from the year 2009 in the subject Economics - International Economic Relations, grade: 1.3, University of Applied Sciences Mainz (School of Business), course: International Business Environment, language: English, abstract: This paper gives an overview of international trade theories. It demonstrates that the fundamentals of classical and neoclassical theories are still relevant today, albeit they have been adjusted and developed. Modern theorists explain international trade with more realistic approaches, such as Krugman et al.'s New Trade Theory or Porter's theory of National Competitive Advantage. The New Trade Theory includes the existence of increasing return of scale to describe and analyze world trade more accurately. Porter's theory of National Competitive Advantage explains international trade as a consequence of productivity differences between nations due to diverse environments and cultures within economies. Dunning and Porter take a globalized world economy into account in order to describe today's trade. The classical theories of Ricardo and Heckscher-Ohlin are limited in describing today's international trade. However, they are still important factors which contribute to the explanation of real-world trade relations. Ricardo's theory...

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