



# ECON847

## International Trade

S2 External 2014

*Economics*

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## General Information

Unit convenor and teaching staff

Unit Convenor

Ha Vu

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Contact via [ha.vu@mq.edu.au](mailto:ha.vu@mq.edu.au)

E4A 429

Credit points

4

Prerequisites

ECON632 or ECON633 or admission to MActPrac or MCom or MEd or MIntBus prior to 2011 or admission to MIntRelMIntTrdeComLaw or MIntTrdeComLaw or PGDiplIntTrdeComLaw or PGCertIntTrdeComLaw

Corequisites

Co-badged status

Unit description

This unit examines international trade both in theory and practice. It first reviews the theories related to inter- and intra-industry trade determination and the empirical evidence supporting them. It then examines trade policies, covering a wide range of topics, illustrated by up-to-date case studies. The unit has a policy approach and aims at also providing students with a good understanding of major trade issues around the world and the effects of globalisation on trade. It focuses on current applications of theoretical principles.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Characterize major international trade theories.

Examine international trade instruments, and articulate arguments for and against protectionism.

Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.

Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

## General Assessment Information

It is important to note that students must complete all tasks in this course to successfully complete this unit. Failure to attend the final examination without approved documented evidence will result in a Fail grade for this unit.

### Submission method

All assignments and review essay must be submitted online through Turnitin to detect plagiarism and to determine whether the submitted work is your own.

It is important to note that any student who submits an assignment or essay online through Turnitin that is not their own work will be automatically be given a mark of zero. Students will also face serious disciplinary action, which may include an automatic failure of ECON847 and the possible exclusion from Macquarie University. For further information on plagiarism and how to avoid it, please refer to the Academic Honesty Policy link.

### Extension

No extensions will be granted. Students who have not submitted the assignments and review essay by the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

## Assessment Tasks

Name	Weighting	Due
<a href="#"><u>Assignment 1</u></a>	15%	6pm Wednesday 03/09/2014
<a href="#"><u>Assignment 2</u></a>	15%	6pm Wednesday 8/10/2014
<a href="#"><u>Review Essay</u></a>	20%	6pm Wednesday 29/10/2014
<a href="#"><u>Final Examination</u></a>	50%	Formal Examination Period

### Assignment 1

Due: **6pm Wednesday 03/09/2014**

Weighting: **15%**

The assignment will be a combination of problem solving and discussion/explanation questions, which may include calculations and diagrammatical illustrations. The questions will be released on iLearn in week 4 and you will have roughly a week to complete and submit them on iLearn by the aforementioned due date.

On successful completion you will be able to:

- Characterize major international trade theories.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.

## Assignment 2

Due: **6pm Wednesday 8/10/2014**

Weighting: **15%**

This assignment will be a combination of problem solving and discussion/explanation questions. The questions will be released on iLearn in week 7 and you will have the mid-session break to complete and submit it on iLearn by the aforementioned due date.

On successful completion you will be able to:

- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

## Review Essay

Due: **6pm Wednesday 29/10/2014**

Weighting: **20%**

Write a 1600 word summary and evaluation of the **given** article (to be released during the mid-session break). A "review essay" is a summary of your own words of the article, together with an appraisal of it. Your review essay should be about 70% summary and 30% appraisal. Summary means you summarize the main points and explain the article in your own words. Figures, tables, or equations in the article should not be included in your essay. Appraisal means you express your thoughts about the article. For example, whether the article is full of insightful remarks, whether the article gives adequate consideration/analysis of the main issues, or if the article covers too much or too little ground, any additional aspects should be included in the article. Your bibliography can be minimal.

On successful completion you will be able to:

- Characterize major international trade theories.
- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.

- Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

## Final Examination

Due: **Formal Examination Period**

Weighting: **50%**

The final exam will be held online during the official Session 2 examination period. The structure of the final examination will typically involve short and longer answer questions. Details on the exact examination date, the exact nature and structure of the final examination will be provided in due course.

On successful completion you will be able to:

- Characterize major international trade theories.
- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

## Delivery and Resources

### Technology used:

All assessments will be implemented on iLearn at the time and date specified in accordance with each assessment component.

Lecture material (slides, transcripts, and video) will be posted on iLearn website. You need to check iLearn regularly.

### Required and Recommended Texts and/or Materials Textbook:

Salvatore, Dominick (2012), *Introduction to International Economics*, Third Edition, John Wiley and Sons.

Gerber, James (2010), *International Economics*, 5th ed, Pearson Addison-Wesley.

### Other Useful Textbooks:

Krugman, P, Obstfeld, M., and Melitz, M. (2014) *International Economics: Theory & Policy*, *International Trade: Theory & Policy*, Prentice Hall.

Krugman, P. and Obstfeld, M. (2009), *International Economics*, 8th ed., Addison Wesley.

Carbaugh, R. (2005), *International Economics*, 10th ed., Thomson.

Husted, S. and Melvin, J. (2013), *International Economics*, 9th ed., Pearson Addison Wesley.

Pugel, T. (2004), *International Economics*, 12th ed., McGraw-Hill.

Salvatore, D. (2012), *International Economics*, 11th ed., Wiley.

Sawyer, W. and Sprinkle, R. (2006), *International Economics*, Pearson.

Van den Berg, H. (2004), *International Economics*, McGraw-Hill.

Yarbrough, B. and Yarbrough, R. (2006), *The World Economy*, 7th ed., Thomson.

### **Useful Websites:**

Australian Department of Foreign Affairs and Trade, [www.dfat.gov.au](http://www.dfat.gov.au)

Australian Bureau of Statistics, [www.abs.gov.au](http://www.abs.gov.au)

International Monetary Fund, [www.imf.org](http://www.imf.org)

Organisation for Economic Cooperation and Development, [www.oecd.org](http://www.oecd.org)

The Economist, [www.economist.com](http://www.economist.com)

The United Nations Conference on Trade and Development (UNCTAD), [www.unctad.org](http://www.unctad.org)

World Trade Organisation, [www.wto.org](http://www.wto.org)

World Bank, [www.worldbank.org](http://www.worldbank.org)

## **Unit Schedule**

### **LECTURE TOPICS**

1. There are 10 topics to be covered over the 13-week semester. Some topics are longer than others, thus the numbering of topics below is not related to the number of lecture weeks.

2. It is essential that students watch the video recorded for each topic on a weekly basis.

#### **Topic 1: The Gains from Trade and Sources of Comparative Advantage**

Salvatore, Chapters 1&2.

Gerber, Chapters 3&4.

#### **Topic 2: Intra-Industry Trade**

Salvatore, 2, 3, and 4;

Gerber, Chapter 5 (pp. 93-103).

#### **Topic 3: Trade Restrictions (1): Tariffs**

Salvatore, Chapter 5;

Gerber, Chapter 6.

#### **Topic 4: Trade Restrictions (2): Non-Tariff Barriers**

Salvatore, Chapter 6;

Gerber, Chapter 7 (pp. 151-156), Chapter 2 (pp. 17-23, 44-45).

#### **Topic 5: Political Economy of Trade**

Salvatore, Chapter 6;

Gerber, Chapter. 5 (pp.103-115), Chapter 7 (pp.140-156).

#### **Topic 6: Trade and the Global Economy**

Salvatore, Chapter 1;

Gerber, Chapter 2, Chapter. 8, Chapter 9 (pp.180-83, pp.197-205).

#### **Topic 7: Trade Blocs**

Salvatore, Chapter 7;

Gerber, Chapter. 2 (pp. 24-28), Chapter.4 (pp.73-74), Chapter.13 (pp. 302-08, pp. 314-18, pp. 321-28, Chapter. 14 (pp. 331-38, pp. 348-59).

#### **Topic 8: Trade and Development**

Salvatore, Chapter 8;

Gerber, Chapter.15 (pp. 362-371), Chapter.16&17.

#### **Topic 9: International Factor Movements**

Salvatore, Chapter 9;

Gerber, Chapter.2 (pp. 84-86), Chapter. 13 (pp. 318-20), Chapter.14 (pp. 356-57), Chapter. 9 (pp.186-190), Chapter.12

#### **Topic 10: International Trade and Exchange Rate Movements**

Salvatore, Chapters 10 & 11;

Gerber, Chapter 10 (pp. 209-210, pp. 213-235)

## **Policies and Procedures**

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of



knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

### **Learning outcomes**

- Characterize major international trade theories.
- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

### **Assessment tasks**

- Assignment 1
- Assignment 2
- Review Essay
- Final Examination

## **PG - Critical, Analytical and Integrative Thinking**

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

### **Learning outcomes**

- Characterize major international trade theories.
- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Recognize how changes in the terms of trade and economic growth affect the welfare of nations engaged in international trade.

### **Assessment tasks**

- Assignment 1
- Assignment 2

- Final Examination

## PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

### Learning outcomes

- Examine international trade instruments, and articulate arguments for and against protectionism.
- Evaluate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.

### Assessment tasks

- Assignment 2
- Review Essay

## PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

### Assessment task

- Review Essay

## PG - Engaged and Responsible, Active and Ethical Citizens

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

### Assessment tasks

- Assignment 1
- Assignment 2

- Review Essay
- Final Examination

## Changes since First Published

Date	Description
08/07/2014	Spelling check