



ECON847

International Trade

S1 External 2014

Economics

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General Information

Unit convenor and teaching staff

Unit Convenor

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E4A 429

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Credit points

4

Prerequisites

ECON632 or ECON633 or admission to MActPrac or MCom or MEc or MIntBus prior to 2011 or admission to MIntRelMIntTrdeComLaw or MIntTrdeComLaw or PGDiplntTrdeComLaw or PGCertIntTrdeComLaw

Corequisites

Co-badged status

NA.

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:

Be conversant with major international trade theories.

Understand and appreciate current major world trade and policy issues.

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

Critically analyse, compare and examine the motives behind trade disputes.

Assessment Tasks

Name	Weighting	Due
<u>Assignment</u>	20%	6pm Friday 11 April (Week 6)
<u>Online Trade Game</u>	5%	6pm Friday 9 May (Week 8)
<u>Review Essay</u>	20%	6pm Friday 23 May (Week 10)
<u>Final Examination</u>	55%	Formal Examination Period

Assignment

Due: **6pm Friday 11 April (Week 6)**

Weighting: **20%**

The assignment will be a combination of problem solving and discussion/explanation questions.

The questions will be released on iLearn in week 5 and you will have roughly a week to complete and submit it on ilearn by the aforementioned due date.

No extensions will be granted. Students who have not submitted the assignment 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.

It is important to note that any student that submits an assignment 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. Turnitin will be used extensively to determine whether the submitted work is your own work.

On successful completion you will be able to:

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Online Trade Game

Due: **6pm Friday 9 May (Week 8)**

Weighting: **5%**

This game is designed to show how trade affects a country's prosperity. It helps you understand how international trade works, how trade influences the development of a country and helps introduce topics of international trade such as supply and demand, trading, and tariffs (in a non-academic way).

The instruction video can be found at: <http://youtu.be/l6gpUUCD530>

The game platform and questions will be uploaded on ilearn in due course and you will be informed about it.

On successful completion you will be able to:

- Be conversant with major international trade theories.

Review Essay

Due: **6pm Friday 23 May (Week 10)**

Weighting: **20%**

Write a 1600 word summary and evaluation of the **given** article (to be released in week 6). 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 may 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.

Each essay must represent the student's own work. The copying of another student's essay, or from somewhere else is clearly regarded as plagiarism. All essays **MUST** be submitted to Turnitin that detects plagiarism. Cases of plagiarism will be dealt with severely. For further information on plagiarism and how to avoid it, please refer to the Academic Honesty Policy link.

On successful completion you will be able to:

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Final Examination

Due: **Formal Examination Period**

Weighting: **55%**

The final exam will be held during the official Session 1 examination period. The structure of the final examination will typically involve short and longer answer questions, which may also include calculations and diagrammatical illustrations. Details on the exact examination date, the exact nature and structure of the final examination will be provided in due course.

It is important to note that students must pass the final examination to satisfactorily complete this unit. However, it is also important 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.

On successful completion you will be able to:

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- Critically analyse, compare and examine the motives behind trade disputes.

Delivery and Resources

Required and Recommended Texts and/or Materials Textbook:

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

Students who are wanting to purchase the E-Text option can do so at

<http://au.wiley.com/WileyCDA/WileyTitle/productCd-EHEP002068.html>

Other Useful Textbooks:

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

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

Australian Bureau of Statistics, www.abs.gov.au

International Monetary Fund, www.imf.org

Organisation for Economic Cooperation and Development, www.oecd.org

The Economist, www.economist.com

The United Nations Conference on Trade and Development (UNCTAD), www.unctad.org

World Trade Organisation, www.wto.org

World Bank, www.worldbank.org

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

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, Lecture Notes, & 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&17and Lecture Notes.

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

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

Disruption to Studies Policy 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/

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) 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

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

- Be conversant with major international trade theories.
- Understand and appreciate current major world trade and policy issues.
- Fully appreciate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Critically analyse, compare and examine the motives behind trade disputes.

Assessment tasks

- Assignment
- 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

- Be conversant with major international trade theories.
- Understand and appreciate current major world trade and policy issues.
- Fully appreciate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.
- Critically analyse, compare and examine the motives behind trade disputes.

Assessment tasks

- Assignment
- Online Trade Game
- Review Essay
- 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

- Be conversant with major international trade theories.
- Understand and appreciate current major world trade and policy issues.
- Fully appreciate the impact of major trade issues on countries with a focus on the tradeoffs between efficiency and equity.

Assessment task

- 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

- Online Trade Game