



ECON847

International Trade

MQC S1 Evening 2014

Economics

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General Information

Unit convenor and teaching staff

Moderator

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Unit Convenor

Allan McHarg

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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 PGDipIntTrdeComLaw 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
Class Test 1	30%	Week 6
Assignment	20%	Monday 19th May (Week 10) 5pm.
Final Examination	50%	Formal Examination Period

Class Test 1

Due: **Week 6**

Weighting: **30%**

The class test in Week 6 will be a combination of short-answer questions, True and False and multiple choice questions. It will be of 60 minutes duration.

Absence from the Class Test 1 without acceptable documented evidence will result in a mark of zero for Class Test 1. The percentage of the final examination will only be re-weighted if acceptable documentation is produced and formally submitted via www.ask.mq.edu.au

On successful completion you will be able to:

- Be conversant with major international trade theories.
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- 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.

Assignment

Due: **Monday 19th May (Week 10) 5pm.**

Weighting: **20%**

The assignment will be posted online at the beginning of week 9 of the teaching week (Monday 5pm). Students will have ONE WEEK (from the date of the release of the assignment online) to complete and submit the assignment online through turnitin.

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:

- 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.

Final Examination

Due: **Formal Examination Period**

Weighting: **50%**

The final exam will be held during the official Session 1 examination period. It is important to note that it is your responsibility to find out the exact examination date for ECON847.

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 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.

Important Note: It is Macquarie University Policy to not schedule any final examinations earlier than the official date. Therefore, DO NOT organise any travel within the formal examination period as any request will be rejected.

On successful completion you will be able to:

- Be conversant with major international trade theories.
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- 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.

Delivery and Resources

CLASSES:

The unit has 3 hours face-to-face teaching per week. There is one meeting per week held on **Monday evening between 6.00-9.00 p.m.** You are strongly advised to attend lectures so that the analytical content of the subject can be outlined and a basis provided for your reading and written work. It is important for you to recognise however, that lectures should be considered as a supplement to, rather than a substitute for, your study of the recommended reading material. Ultimately your success in this course will depend on your willingness to use the library facilities to read about economics, and your willingness to be diligent in your learning endeavours.

It is very important that students **attend all sessions**. Each week's work builds on material previously covered and there is the very real danger that comprehension of the theoretical aspects of the subject will be hampered by intermittent attendance. The class test and the final examination will focus on the material discussed in lectures and contained in the text and supplementary readings.

Students experiencing significant difficulties with any topic in the unit should seek assistance immediately. Consultations are available either before or after classes or by arrangement with the lecturer. Consultations will not be conducted by e-mail.

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 will be posted on ilearn website. Any technical issues that you may have with ilearn needs to be directed to the IT section of the university.

Structure of the Weekly 3 Hour Session:

The weekly three-hour session will comprise a two-hour lecture and an hour class practice session. The lectures will provide students with an overview of international trade both in theory and practice, as well as a good understanding of major and current trade issues.

The class practice session will ask students to answer unseen questions from the previous week's lecture and any additional assigned reading material. The solutions to these questions will be provided and discussed only in class. The objective of this strategy is to provide each student with immediate feedback on their answers with the expectation that this will assist and deepen their understanding of various issues of international trade. Students are expected to read in advance the lecture notes provided online, as well as the required readings, and to participate in class discussions.

Unit Schedule

LECTURE TOPICS

1. It is essential that students attend all classes, as the tests will focus on material discussed in the lectures and supplemented with the relevant readings.
2. The following references are only a complement to lecture notes: they are NOT a substitute. In addition, a number of prescribed, up-to-date journal articles will be announced during lecture

time

3. The numbering of topics below is not related to the number of lecture weeks. Some topics are shorter/longer than others.

Topic 1: Introduction - The Gains from Trade

Salvatore, Chapters 1&2, Gerber, Chapters 3&4.

Topic 2: Sources of Comparative Advantage

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: Australia's Trade and Balance of Payments

Lecture Notes

Topic 11: International Trade and Exchange Rate Movements

Salvatore, Chapters 10 & 11, Gerber, Chapter 10 (pp. 209-210, pp. 213-235)

NOTE: The numbering of topics above is **not related** to the number of lecture weeks. Some topics are shorter/longer than others.

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](#)

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F – Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

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

For further information, please refer to page 71 of the 2013 Calendar of Governance, Legislation and Rules- Postgraduate Rules at

http://universitycouncil.mq.edu.au/pdfs/2013-Postgraduate_rules.pdf

Grade Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

<http://www.city.mq.edu.au/reviews-appeals.html>

Special Consideration Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable

disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/policy.html

The University defines serious and unavoidable disruption to studies as resulting from an event or set of circumstances that:

- could not have reasonably been anticipated, avoided or guarded against by the student; **and**
- was beyond the student's control; **and**
- caused substantial disruption to the student's capacity for effective study and/or the completion of required work; **and**
- substantially interfered with the otherwise satisfactory fulfilment of unit or course requirements; **and**
- was of at least three (3) consecutive days duration within a study period and/or prevented completion of the final examination.

A Special Consideration application is deemed to be valid if all the following criteria have been satisfied:

- The Special Consideration application is completed by the student and submitted online through www.ask.mq.edu.au within five (5) working days after the due date of the associated assessment task / final examination.
- The application contains supporting evidence to demonstrate the severity of the circumstance(s) and that substantial disruption has been caused to the student's capacity for effective study. (The University will not follow up on outstanding evidence, nor contact any person or body on behalf of the student. The application will be considered as submitted.)
- The original supporting documentation has been sighted by MQC reception staff within five (5) working days after the due date of the associated assessment task.
- Where the particular circumstances are medical in nature, a *Professional Authority Form* including the health professional's Medicare Provider Number is included. (If a *Professional Authority Form* cannot be obtained, an original medical certificate indicating the severity (serious / not serious) and impact of the circumstances must be included with the application.)
- Where the particular circumstances are non-medical in nature, appropriate supporting evidence indicating the severity (serious / not serious) and impact of the circumstances is included with the application.
- The student was performing satisfactorily in the unit up to the date of the unavoidable disruption. (If a student's work in the unit was previously unsatisfactory, subsequent unavoidable disruption will not overcome the fact that the earlier work was unsatisfactory).

Unacceptable grounds for Special Consideration

The University has determined that some circumstances are not acceptable grounds for claiming Special Consideration. These grounds include, but are not limited, to:

- routine demands of employment
- routine family problems such as tension with or between parents, spouses, and other people closely involved with the student
- difficulties adjusting to university life, to the self-discipline needed to study effectively, and the demands of academic work
- stress or anxiety associated with examinations, required assignments or any aspect of academic work
- routine need for financial support
- routine demands of sport, clubs and social or extra-curricular activities.

Acute Problems

The University defines acute problems as those involving fewer than three (3) consecutive days within a study period. In these cases, students should not apply for special consideration via ask.mq.edu.au, but contact their Unit Convenor within 5 working days of the assessment due date so that a local solution may be discussed, except where the disruption affects completion of a final examination. (If a final examination is affected, the student should submit a special consideration application via ask.mq.edu.au.)

Prior Conditions Conditions existing prior to commencing a unit of study are not grounds for Special Consideration, except in the event of unavoidable deterioration of the condition. The student is responsible for managing their workload in light of any known or anticipated problems. Students with a pre-existing disability/ chronic health condition may contact the [Disability Service](#) for information on available support.

In submitting a request for Special Consideration, the student is acknowledging that they may be required to undertake additional work and agreeing to hold themselves available so that they can complete any extra work as required. The time and date, deadline or format of any required extra assessable work as a result of an application for Special Consideration is not negotiable.

Attendance

All Students are required to attend at least 80% of the scheduled course contact hours each Session. Additionally MQC monitors the course progress of international students to ensure that the student complies with the conditions of their visa relating to attendance.

This minimum level of attendance includes all lectures and tutorials. Tutorial attendance will be recorded weekly. If any scheduled class falls on a public holiday this will be rescheduled as advised by your Lecturer. Attendance at any mid-Session or in-class test is compulsory unless otherwise stated.

Unavoidable non-attendance due to illness or circumstances beyond your control must be supported by appropriate documentation to be considered for a supplementary test. Other non-attendance will obtain zero for the test. You should refer to the section below on Special Consideration for more details about this.

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

Student Support

Students who require assistance are encouraged to contact the Student Services Manager at Macquarie City Campus. Please see reception to book an appointment.

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://students.mq.edu.au/support/>

At any time students (or groups of students) can book our Student Advising rooms on Level 6 by emailing info@city.mq.edu.au with a day and time and nominated contact person. There are additional student study spaces available on Level 1.

Macquarie University Campus Wellbeing also has a presence on the City Campus each week. If you would like to make an appointment, please email info@city.mq.edu.au or visit their website at: <http://www.campuslife.mq.edu.au/campuswellbeing>

UNIWISE provides:

- Online learning resources and academic skills workshops http://www.mq.edu.au/learning_skills
- Personal assistance with your learning & study related questions

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.

IT Help

If you wish to receive IT help, we would be glad to assist you at <http://informatics.mq.edu.au/help/> or call 02 9850-4357.

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 and it outlines what can be done.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.

Students are expected to act responsibly when utilising Macquarie City Campus IT facilities. The following regulations apply to the use of computing facilities and online services:

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- permitted.
- Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

If you would like to borrow headphones for use in the Macquarie City Campus computer labs (210, 307, 311, 608) at any point, please ask at Level 2 Reception. You will be required to provide your MQC Student ID card. This will be held as a deposit while using the equipment.

For assistance in the computer labs, please

see a Lab Demonstrator (usually they can be found in Lab 311, otherwise ask at Level 2 Reception).

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

- Class Test 1
- Assignment
- 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

- Class Test 1
- Assignment
- 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

- Assignment