



ECON847

International Trade

S1 External 2015

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit Convenor

Ha Vu

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E4A 429

Credit points

4

Prerequisites

ECON632 or ECON633 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 to explain alternative patterns of trade.

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.

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.

The Online Test must be complete on line during the designated period of time.

It is important to note that any student who submits an assignment or essay 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 in the *Policies and Procedures* section of this guide.

Extension

No extensions will be granted. Students who have not submitted any tasks by the deadline will be awarded a mark of 0 for the task, except for cases in which an application for Disruption to Studies is made and approved.

Assessment Tasks

Name	Weighting	Due
<u>Assignment 1</u>	20%	6pm Sunday 29/3/2015
<u>Review Essay</u>	20%	6pm Sunday 26/4/2015
<u>Assignment 2</u>	20%	6pm Sunday 17/5/2015
<u>Online Test</u>	40%	6pm Sunday 7/6/2015

Assignment 1

Due: **6pm Sunday 29/3/2015**

Weighting: **20%**

This 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 a week before the due date and cover Topics 1, 2, and 3.

On successful completion you will be able to:

- Characterize major international trade theories to explain alternative patterns of trade.

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

Review Essay

Due: **6pm Sunday 26/4/2015**

Weighting: **20%**

Write a 1600 word summary and evaluation of the **given** article (to be released on ilearn). 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 to explain alternative patterns of trade.
- 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.

Assignment 2

Due: **6pm Sunday 17/5/2015**

Weighting: **20%**

This assignment will be a combination of problem solving and discussion/explanation questions. The questions will be released on iLearn a week before the aforementioned due date. It will cover Topics 4, 5, 6, 7, and 8.

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.

Online Test

Due: **6pm Sunday 7/6/2015**

Weighting: **40%**

The Online Test will be accessed through the unit web page at <http://ilearn.mq.edu.au>. The Test will be opened between 6pm Friday 5/6/2015 and 6pm Sunday 7/6/2015, and students will have two hours to complete the test online.

The Test will typically involve short and longer answer questions and it will cover ALL topics. Detailed instruction will be provided in Week 10.

On successful completion you will be able to:

- Characterize major international trade theories to explain alternative patterns of trade.
- 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 materials (power of point slides and videos) and exercise questions will be posted on iLearn website. You need to check iLearn regularly.

Required Textbooks:

Salvatore, Dominick (2012), *Introduction to International Economics*, 3rd Ed, John Wiley and Sons.

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

Recommended Textbooks:

Krugman, P, Obstfeld, M., and Melitz, M. (2012) *International Economics: Theory & Policy*, 9th Ed, Pearson.

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

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

Pugel, T. (2014), *International Economics*, 16th Ed, McGraw-Hill.

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

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

Journal of International Economics, <http://www.sciencedirect.com/science/journal/00221996>.

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

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, Chapters 2, 3, & 4.

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

Topic 3: Trade Restrictions (1): Tariffs

Salvatore, Chapter 5.

Gerber, Chapter 6 (p. 119-131).

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

Salvatore, Chapter 6.

Gerber, Chapter 6 (p. 132-136).

Topic 5: Political Economy of Trade

Salvatore, Chapter 6.

Gerber, Chapter 5 (p. 103-115), Chapter 7.

Topic 6: Trade and the Global Economy

Salvatore, Chapter 1.

Gerber, Chapters 2 & 8.

Topic 7: Trade Blocs

Salvatore, Chapter 7.

Gerber, Chapters 13 & 14.

Topic 8: Trade and Development

Salvatore, Chapter 8.

Gerber, Chapter 15 (p. 362-371), Chapter 16.

Topic 9: International Factor Movements

Salvatore, Chapter 9.

Gerber, Chapter 3 (p. 84-86), Chapter 9 (p. 186-190).

Topic 10: International Trade and Exchange Rate Movements

Salvatore, Chapters 10 & 11.

Gerber, Chapter 10.

Learning and Teaching Activities

Lectures and exercise questions

Video lectures are intended to provide overviews of the conceptual frameworks that are critical to the core themes of the unit. Students are expected to read the relevant chapters in the required textbooks for each topic. In addition, students should attempt all practice questions for each topic.

Learning by Doing

ECON847 relies heavily on independent learning where students read the relevant chapters in the textbook, revise the lecture notes, attempt the set of practice questions, and extend themselves by doing additional readings, questions, exercises, problems. Students are recommended to spend at least 7-9 hours each week to study this subject.

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/

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit <ask.mq.edu.au>.

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

- Characterize major international trade theories to explain alternative patterns of trade.
- 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
- Review Essay
- Assignment 2
- Online Test

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 to explain alternative patterns of trade.
- 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
- Online Test

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

- Review Essay
- Assignment 2

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
- Review Essay
- Assignment 2
- Online Test