



# ECON847

## International Trade

S2 Evening 2018

*Dept of Economics*

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## General Information

Unit convenor and teaching staff

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Credit points

4

Prerequisites

ECON632 or ECON633 or ECON649

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:

Knowledge and Understanding: Be conversant with major trade theories and policy measures.

Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.

Ethical Thinking: Evaluate the impact of trade-related issues on countries with a focus on the tradeoffs between efficiency and equity.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Discussion</u>	10%	No	Weekly
<u>Class Test</u>	20%	No	Week 7
<u>Assignment</u>	20%	No	3pm Sunday October 21
<u>Final Exam</u>	50%	No	University Examination Period

### Discussion

Due: **Weekly**

Weighting: **10%**

In week 1, groups of 3-4 students will be formed. Students are required to stick to your group for the whole semester. Each week, starting from week 2 during the workshop, each group will be given a question to discuss. One student from the group will present their discussion to the class. Another student from the same group will post the summary of the discussion plus the lecturer's feedback on the iLearn forum within a week. Each student is expected to i) present once or twice throughout the semester and ii) post the summary of the discussion plus the lecturer's feedback once or twice throughout the semester. Note that this is an individual assessment task. Students will be assessed based on the level of effort and the quality of presentation/posting. No presentation or posting throughout the session will result in a mark of zero.

On successful completion you will be able to:

- Knowledge and Understanding: Be conversant with major trade theories and policy measures.
- Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.

### Class Test

Due: **Week 7**

Weighting: **20%**

The class test will be held in week 7 and will include short-answer and long-answer questions based on lecture topics covered in weeks 1-6. It will be of 80 minutes duration. It may include calculations and diagrammatical illustrations. Further details will be provided in due course.

Students are allowed to bring in one A4 sheet of hand-written or printed notes (double-sided).

Failure to attend the class test will result in a mark of zero. Exceptions will be only made if an application for Special Consideration is made and approved. For further details, see the University's Special Consideration policy: <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>.

On successful completion you will be able to:

- Knowledge and Understanding: Be conversant with major trade theories and policy measures.
- Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.

## Assignment

Due: **3pm Sunday October 21**

Weighting: **20%**

The assignment will include application/discussion questions regarding current trade issues related to the trade-off between efficiency and equity. Students will be provided with a set of academic/news articles. Further details will be provided before the mid-session break.

Students will have to complete and submit the assignment online by 3pm Sunday October 21 through Turnitin on the ECON847 iLearn website.

Late submission will receive a deduction of 10% of the total marks for each 24-hour period that the submission is late (for example, 25 hours late in submission - 20% penalty). Submissions will not be accepted beyond 72 hours past the deadline. This penalty does not apply if an application for Special Consideration is made and approved. For further details, see the University's Special Consideration policy: <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>.

Important Notice: Any student whose submission is not his/her own work will be automatically 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. Students should be aware that Turnitin will be used to determine the originality of the submitted work. Students are also expected to be familiar with the University's Academic Integrity policy: <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/academic-honesty>.

On successful completion you will be able to:

- Knowledge and Understanding: Be conversant with major trade theories and policy measures.
- Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.
- Ethical Thinking: Evaluate the impact of trade-related issues on countries with a focus on

the tradeoffs between efficiency and equity.

## Final Exam

Due: **University Examination Period**

Weighting: **50%**

The final exam will be held during the university examination period. Note that it is students' responsibility to find out the date, time and location of the final exam for ECON847.

The final exam will include short-answer and long-answer questions based on all topics covered throughout the semester. It will be of 2 hours duration. It may include calculations and diagrammatical illustrations. Further details will be provided in due course.

Students are allowed to bring in one A4 sheet of hand-written or printed notes (double-sided).

Failure to attend the final exam will result in a mark of zero. Exceptions will be only made if an application for Special Consideration is made and approved. For further details, see the University's Special Consideration policy: <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>.

Importance Notice: It is Macquarie University Policy to not schedule any final examinations before the official examination period. Therefore, DO NOT organise any travel within the official examination period as all requests will be rejected.

On successful completion you will be able to:

- Knowledge and Understanding: Be conversant with major trade theories and policy measures.
- Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.

## Delivery and Resources

Each week there will be a three-hour face-to-face session. Each session will typically consist of a two-hour lecture and an hour workshop. It is strongly recommended that students attend ALL lectures and workshops. For time and location, please check the university timetable: [http://students.mq.edu.au/student\\_admin/timetables](http://students.mq.edu.au/student_admin/timetables).

Lecture slides will be posted on iLearn prior to each week's lecture. For topics to be covered, see the unit schedule below. Students are required to read each week's reading material.

Workshops start in week 2. During each workshop, we will discuss questions regarding the lecture topics from the previous week. Questions will be posted on iLearn after each lecture. Students will discuss these questions with their group members and present their discussion results. See 'Assessment Task: Discussion' above for details. Answers to these questions will be provided only during the workshop. Additional readings may be provided on iLearn prior to the workshop in order to enhance the quality of discussion.

**Prescribed Textbook:**

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

#### **Other Recommended Textbooks:**

- Krugman, P., Obstfeld, M., and Melitz, M. (2015) *International Economics: Theory & Policy*, 10th ed., Pearson.
- Feenstra, R., Taylor, A. (2017) *International Trade*, 4th ed., McMillan
- Salvatore, D. (2012), *Introduction to International Economics*, 3rd ed., Wiley.
- Gerber, J. (2014), *International Economics*, 6th ed., Pearson.
- Husted, S. and Melvin, J. (2013), *International Economics*, 9th ed., Pearson.

#### **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**

All chapter numbers relate to the prescribed textbook. See 'Delivery and Resources'.

- Weeks 1-3 | Trade Theories | Ch 2-6
  - Basic Theory Using Demand and Supply
  - Ricardian Model
  - Heckscher-Ohlin Model
  - New Trade Theory
- Weeks 4-6 | Trade Policies | Ch 8-9,11
  - International Trade Regime
  - Tariff Barriers
  - Non-Tariff Barriers
- Week 7 | Class Test
- Week 8 | Protectionism | Ch 10-11
- Week 9 | Trade and Development | Ch 7, 14
- Week 10 | Trade and Global Economy | Ch 13 and other sources\*
- Week 11 | Trade Blocs | Ch 12

- Week 12 | International Factor Movement | Ch 15
- Week 13 | Revision

\* Other sources will be provided in due course.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway \(https://students.mq.edu.au/support/study/student-policy-gateway\)](https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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](https://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](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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources 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 outcome

- Knowledge and Understanding: Be conversant with major trade theories and policy measures.

### Assessment tasks

- Discussion
- Class Test
- Assignment
- Final Exam



## 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

- Application and Critical Thinking: Evaluate the impact of trade-related issues on countries based on trade concepts and theories.
- Ethical Thinking: Evaluate the impact of trade-related issues on countries with a focus on the tradeoffs between efficiency and equity.

### Assessment tasks

- Discussion
- Class Test
- Assignment
- Final Exam

## 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:

### Learning outcome

- Ethical Thinking: Evaluate the impact of trade-related issues on countries with a focus on the tradeoffs between efficiency and equity.

### Assessment task

- Assignment

## Changes from Previous Offering

Learning Outcomes