

THE UNIVERSITY OF
NEW SOUTH WALES



**Australian School of Business
School of Economics**

**ECON3116
International Economics**

**Course Outline
Semester 2, 2009**

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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Jie (April) Cai
Room 432 Australian School of Business
Phone No: +61-2-9385 3367
Email: april.cai@unsw.edu.au
Consultation Times – Wednesday 9-10am and Thursday 1-3pm
Tutor name: Xiao Chen

1.1 Communications with staff

You should feel free to contact me about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at lectures or tutorials or during consultation time. Discussion of course subject material will not be entered into via lengthy emails.

Email correspondence on administrative matters (e.g. advising inability to attend tutorial) will be responded to within 48 hours, but not over weekends. **Please note that the lecturer has no advance notice of the date and time of the exam.**

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lecture: Wednesday 11am-1pm (Electrical Eng G25 K-G17-G25)

Tutorials Start in Week 2. The Groups and Times are:

- Wednesday 10-11 am (Australian School of Business K-E12-232)
- Wednesday 1-2 pm (Australian School of Business K-E12-216)
- Wednesday 3-4 pm (Law K-F8-301)
- Thursday 3-4 pm (Australian School of Business K-E12-105)
- Thursday 4-5 pm (Australian School of Business K-E12-118)

A full list of tutorials, times and tutors will be on the Course Website.

2.2 Units of Credit

The course is worth 6 units of credit.
There is no parallel teaching in this course.

2.3 Summary of Course

This course examines models and issues in international trade theory and policy. The first part covers the main theories of international trade; the Ricardian-model of comparative advantage, the Heckscher-Ohlin model of factor proportions and recent developments in trade theory based on imperfect competition and economics of scale. The second part examines issues and models of international trade policy.

In addition to examining various theoretical models, empirical evidence and policy issues will be discussed. Evidence and data on trade theories will be the main focus of the project.

2.4 Relationship to Other Courses

This course is offered as part of the economics stream in the B.Com and B.Econ degrees. The pre-requisites for this course are either Econ2101 and Econ2102 (or Econ2103 and Econ2104). Students who have taken Econ2101 Microeconomics 2 will be better prepared to handle the material covered in the course. The course covers the main theories of international trade and international trade policy. The course has a microeconomic focus and is complementary to Econ3104 International Macroeconomics which focuses on the international aspects of macroeconomics.

2.5 Student Learning Outcomes

On completion of the course, students should be able to:

1.	Describe and interpret the assumptions and structure of standard models of international trade theory and policy
2.	Critically analyse and manipulate simple versions of these models
3.	Apply some of the basic models and theory to evaluate and critically analyse real problems in international economics
4.	Describe and interpret how institutions and policy affects international trade

Graduate Attributes

Course Learning Outcomes	ASB Graduate Attributes
1	Critical thinking and problem solving
2	Communication
3	Teamwork and leadership
4	Social, ethical and global perspectives
5	In-depth engagement with relevant disciplinary knowledge
6	Professional skills

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The default in recent times has been: “The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at:

www.guidelinesonlearning.unsw.edu.au. “Apparently, this is no longer sufficient.

We need to add some words.

The new minimum should be something like (please personalise it to your course):

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: www.guidelinesonlearning.unsw.edu.au. Specifically, the lectures, tutorials and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcome.

3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the Lecture Schedule, the content of Lectures, and the content of the Tutorial Program.

Lectures

The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Tutorials

Tutorials begin in Week 1 and are an integral part of the subject. Tutorial presentations/discussion questions/problems will build on the material discussed in class with the lecturer.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.

Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.

Attending tutorials and attempting the tutorial questions.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

achieve a composite mark of at least 50 out of 100; and

make a satisfactory attempt at ALL assessment tasks (see below).

4.2 Assessment Details

Assessment is individual to each but is required to put in table like this:

Assessment Task	Weighting	Length	Due Date
In-tutorial Tests 1	10%	25 minutes	Week 5
In-tutorial Tests 2	10%	25 minutes	Week 9
Assignment 1	5%	500 words	23:59 on 6 Sept., 2009
Assignment 2	15%	2000 words	23:59 on 21 Oct., 2009
Final Exam	60%	2 hours	University Exam Period
Total	100%		

4.3 In-tutorial tests

There will be 2 written tutorial tests in 2 random selected weeks. Students will have 20 minutes to complete each test.

Students must sit the tutorial tests in the tutorial group to which they have been allocated. No supplementary in-tutorial tests will be offered. Students who do not attend and do not have adequate reason will be awarded a mark of zero.

Documentary evidence for an absence (e.g. medical certificate) must be provided to the Lecturer-in-charge. If approved, the student will have their final mark re-weighted according to the weight of the missed piece of assessment. Regardless, an absence will only be approved for one of the in-tutorial tests.

4.4 Assignment Assessment and Format

The assignment topics, format, and marking criteria are set out in 12 below.

4.5 Assignment Submission Procedure

Students must submit 1 hard copy and 1 electronic copy of their assignments.

The electronic copy is to be submitted to the course website by 11:59pm on the due days. Instructions will be available on the website. Upload a copy of your document - do not paste text. Use your student ID in the file name. All electronic copies of essays will be checked for plagiarism on the Turnitin software into which they are uploaded. See notes on Plagiarism below and also note that the Turnitin software will automatically check against all other assignments submitted.

The hard copy is to be submitted to the Tutor in the tutorial class on the due days. Do not use plastic sheets or binders. Simply staple the pages together. Your name and ID should be on the cover page.

4.6 Late Submission of Assignment

10% of the value of each assignment will be deducted for each day (24 hours) or part thereof which the electronic copy of an assignment is submitted to the course website after the deadline. Assignments submitted more than five days late will not be marked.

4.7 Final Exam Format

The final exam will be held during the University examination period with the date and time determined by the University. It will cover materials covered in lectures and tutorials during Weeks 1-12 (inclusive), and will have the following structure;

Part A: short-answer questions (1/2)

Part B: longer essay type questions and/or problems (1/2)

The final exam will test the ability of students to explain the assumptions and structure of standard models in international trade theory and policy and to analyze simple versions of these models. In addition students will need to be able to apply these models to interpret and analyze real problems in international economics. The questions will also test knowledge of important policy issues in the international trade.

5 ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW's policies, penalties, and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html> as well as the guidelines in the online ELISE tutorial for all new UNSW students: <http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>.

[ASB is saying this is all that is required but if a major assignment is part of your course and particularly if it is a course for

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

7 STUDENT RESPONSIBILITIES AND CONDUCT

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in the 'A-Z Student Guide': <https://my.unsw.edu.au/student/atoz/ABC.html>. See, especially, information on 'Attendance and Absence', 'Academic Misconduct', 'Assessment Information', 'Examinations', 'Special Consideration', 'Student Responsibilities', 'Workload' and policies such as 'Occupational Health and Safety'.

[NB the above is all that is required by asb (ie you can leave out 7.1 – 7.6 below)
For honours/PhD courses that will fine but given importance of awareness of supplementary, easiest to leave in for level 1-3 courses]

7.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater. Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

7.2 Attendance

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

7.3 Special Consideration and Supplementary Examinations

You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure which affects your course progress. For advice on UNSW policies and procedures for granting special consideration and supplementary exams, see:

'UNSW Policy and Process for Special Consideration':
<https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>

Students should note the following

- Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications will **not** be accepted by teaching staff;
- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge;

Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

ASB Policy and Process for Special Consideration and Supplementary Exams

In the case of undergraduate students in the ASB, requests for special consideration are determined by a Faculty wide panel. If the Faculty panel grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.
- Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

The 'ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses' is available at:

<http://wwwdocs.fce.unsw.edu.au/fce/current/StudentSuppExamProcedure.pdf> .

Further information for undergraduate students is on the ASB website (see '[Policies and Guidelines for Current Students](#)').

7.4 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

7.5 Occupational Health and Safety

UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see <https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>.

7.6 Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

8 STUDENT RESOURCES AND SUPPORT

The University and the ASB provide a wide range of support services for students, including:

ASB Education Development Unit (EDU) (www.business.unsw.edu.au/edu)

Academic writing, study skills and maths support specifically for ASB students. Services include workshops, online and printed resources, and individual consultations. EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph: 9385 5584; Email: edu@unsw.edu.au

UNSW Learning Centre (www.lc.unsw.edu.au)

Academic skills support services, including workshops and resources, for all UNSW students. See website for details.

Library training and search support services: <http://info.library.unsw.edu.au>

UNSW IT Service Desk: Technical support for problems logging in to websites, downloading documents etc. Library, Level 2; Ph: 9385 1333.

Website: www.its.unsw.edu.au/support/support_home.html

UNSW Counselling Service (<http://www.counselling.unsw.edu.au>)

Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping With Stress' and 'Procrastination'. Office: Level 2, Quadrangle East Wing; Ph: 9385 5418

Student Equity & Disabilities Unit <http://www.studentequity.unsw.edu.au>

Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning. Office: Ground Floor, John Goodsell Building; Ph: 9385 4734

9 COURSE RESOURCES

The website for this course is on WebCT Vista.

The prescribed textbook for this subject (available at the UNSW Bookshop) is

Krugman, P. and M. Obstfeld, International Economics Theory and Policy, 7th edition, Addison and Wesley, 2006, ISBN-10: 0321278844. (Check http://wps.aw.com/aw_krgmnobstf_interecon_7/31/8118/2078401.cw/index.html for student resources provided by the publisher)

The 5th and 6th editions of the book are also suitable.

Students may find the following textbooks useful for some parts of the course.

Robert C. Feenstra and Alan M. Taylor (henceforth FT) International

Economics, Worth Publishers, 2007, ISBN-10: 0716792834.

Caves, R., J. Frankel and R. Jones, World Trade and Payments: An Introduction, Harper Collins, 1993

10 LECTURE SCHEDULE

There will be a set of lecture notes, with additional readings, on the Course website.

Standard Models of International Trade

Week 1 (20–24 July):

**Labour productivity and Comparative Advantage – Ricardian Model
Krugman and Obstfeld - Ch. 2**

Week 2 (27-30 July):

**Specific Factors and Income Distribution
Krugman and Obstfeld - Ch. 3**

Week 3 (3-7 August):

**Specific Factors and Income Distribution (Continued)
Krugman and Obstfeld - Ch. 3**

Week 4 (10-14 August):

**Resources and Trade – Heckscher-Ohlin Model
Krugman and Obstfeld – Ch. 4**

Week 5 (17-21 August):

**A Standard Trade Model
Krugman and Obstfeld – Ch. 5**

Week 6 (24-28 August):

**A Standard Trade Model (Continued)
Krugman and Obstfeld – Ch. 5**

Week 7 (31 August-4 September):

**New Trade Theory – Economies of Scale and Imperfect Competition
Krugman and Obstfeld - Ch. 6**

Week 8 (14-18 September):

**New Trade Theory – Economies of Scale and Imperfect Competition (Continued)
Krugman and Obstfeld - Ch. 6**

Week 9 (21-25 September):

**International Factor Movements
Krugman and Obstfeld - Ch. 7**

International Trade Policy

**Week 10 (28 September-2 October): Trade Policy Instruments
Krugman and Obstfeld – Ch. 8**

Week 11 (5-9 October): Trade Policy Instruments (Continued)
Krugman and Obstfeld – Ch. 8

Week 12 (12-16 October): Political Economy of Trade Policy
Krugman and Obstfeld – Ch. 9 & 10

11 TUTORIAL SCHEDULE

Week 2 (27-30 July): Labour productivity and Comparative Advantage

Week 3 (3-7 August): Specific Factors and Income Distribution

Week 4 (10-14 August): Specific Factors and Income Distribution (Continued)

Week 5 (17-21 August): Resources and Trade – Heckscher-Ohlin Model

Week 6 (24-28 August): A Standard Trade Model

Week 7 (31 August-4 September): A Standard Trade Model (Continued)

Week 8 (14-18 September): New Trade Theory – Economies of Scale and Imperfect Competition

Week 9 (21-25 September): New Trade Theory – Economies of Scale and Imperfect Competition (Continued)

Week 10 (28 September-2 October): International Factor Movements

Week 11 (5-9 October): Trade Policy Instruments

Week 12 (12-16 October): Trade Policy Instruments (Continued)

Week 13 (15-19 October): Political Economy of Trade Policy

12 ASSIGNMENTS

Topics will be posted on the WebCT in the first week.

Marking criteria

Logical structure, clear written expression, conformity to length	2
Correct use of references and reference list	1
Evidence of research effort beyond references given in course material	1
Clear outline of the argument/analysis presented	3
Quality of analysis, depth of reflection	3
Total	10

Essay Submission details: as outlined above in 4.5 – 4.7.

Essay Preparation Advice

Plan your essay and produce a draft structure to clarify your ideas and to develop a logical essay structure.

Do not use bullet points and use sub-headings sparingly. You are writing an essay, not a report.

Make sure your grammar and expression are clear – consider whether your meaning is clear to a reader.

Use simple language (big words do not necessarily impress). Remember to address yourself to the reader.

Avoid slang, colloquialisms, & conversational styles of language.

Essay Writing Style

The School of Organisation and Management has produced a comprehensive Essay and Assignment Guide. The Guide offers excellent practical advice for preparing work for assessment and is available from the 'Current Students' page in the School of Organisation and Management's web site. Students should read the Guide to be familiar with the expectations of written work.

For written assessments, students will be expected to demonstrate an ability to read further than the prescribed readings and to use work published in academic journals. Essays are expected to follow traditional academic referencing styles and to have clear structure.

Citing References: You should cite your sources using the Harvard System and include all cited sources in a reference list.

Format: Essays should be one and half spaced. Under no circumstances should an essay be typed on both sides of a single page.

Margins: on both the left and right hand sides of the page. This provides adequate room for comments as well as creating an uncluttered presentation.

Page Numbers and Format: All pages should be numbered consecutively. A cover page must give a title to your essay and include your name, student number and the date on which you submit the essay.

Quotations: In general, all quotations should be enclosed with single inverted commas. The exception is quotations of two or more sentences which run to four or more lines – these quotes should be indented. However, long quotes should be avoided where possible. Excess use of long quotes will be penalised.

A Bibliography: is a standard requirement of all essays and should contain all references cited. Do not include material which is quoted in one of the references unless the quoted source was actually consulted by you.

Failure to follow these instructions will result in essays being penalised.