

ECON5316

International Trade Theory and Policy

Course Outline

Semester 2, 2017

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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1 STAFF CONTACT DETAILS

Lecturers:

Lecturer: Scientia Professor Alan Woodland
Location: Room 416 UNSW Business School
Phone: 9385 9707
Email: a.woodland@unsw.edu.au
Consultation Time: Wednesdays, 4-6 pm or by appointment

Lecturer: Dr. Arpita Chatterjee
Location: Room 430C Business School
Phone: 9385 4314
Email: arpita.chatterjee@unsw.edu.au
Consultation Time: Mondays 11 am-1 pm or by appointment

1.1 Communications with staff

You should feel free to contact your lecturer about any academic matter. However, you are strongly encouraged, for efficiency, to make all enquiries about the subject material 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 [the subject of many emails].

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures start in Week 1 (to Week 12): The time and location are:
Wednesdays, 9am – 11am, Webster Theatre A.

Tutorials start in Week 2 (to Week 13). 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. This course is taught in parallel to both undergraduate and postgraduate students.

2.3 Summary of Course

The course provides a theoretical analysis of international trade topics with references to empirical evidence. Students will learn the main empirical patterns of current international trade and how to access sources of this information. They will become familiar with the concept of comparative advantage, and study models showing how technological differences, differences in resource endowments, and economies of scale determine trade patterns and income distribution. The effects of various trade policy instruments on welfare will be analysed. The course touches upon currently relevant issues such as offshoring, export subsidies in agriculture and high-technology industries, and international trade agreements. Students will acquire the problem-solving skills necessary to analyse these and similar matters.

2.4 Aims and Relationship to Other Courses

This course is offered as part of the economics stream in the B.Com and B.Econ degrees. The pre-requisite for this course is ECON2101. 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

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree. You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree.

For more information on Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at <https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	Describe and interpret the assumptions and structure of standard models of international trade theory and policy.	<ul style="list-style-type: none"> • Assignments • Mid-term Exam • Final Exam
2	Critical thinking and problem solving	Use the standard models of international trade to interpret and analyse real problems and issues in international economics. Describe and interpret how institutions and policy affect international trade.	<ul style="list-style-type: none"> • Assignments • Mid-term Exam • Final Exam
3a	Written communication	Construct written work that is logically and professionally presented.	<ul style="list-style-type: none"> • Assignments • Mid-term Exam • Final Exam
3b	Oral communication	Not specifically addressed in this course.	Not specifically assessed.
4	Teamwork	Not specifically addressed in this course.	Not specifically assessed.
5a.	Ethical, environmental and sustainability considerations	Not specifically addressed in this course.	Not specifically assessed.

5b.	Social and cultural awareness	Not specifically addressed in this course.	Not specifically assessed.
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3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the 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 are an integral part of the subject. Tutorial 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

4.0 You must complete the “Working with Academic Integrity” module on your Moodle site, before you hand in any written work.

- You **MUST** complete the ‘Working with Academic Integrity’ module AND THE MODULE’S QUIZ, found on your course Moodle site, **BEFORE YOU ARE ALLOWED TO SUBMIT ANY WRITTEN ASSESSMENT**.
- If your submission is delayed because you did not complete the module and the quiz, you may be liable to late penalties as specified in your course outline.
- Failing to comply with the University rules of Academic integrity may result in serious consequences:
 - All cases of plagiarism (regardless of their severity) ARE recorded with the University Integrity Office University register.
 - Depending on the level of the plagiarism/misconduct, the penalties may include a FAIL grade for the assessment piece, a FAIL grade for the course, or being expelled for serious/repeat offences.

Any misconduct, including plagiarism, is recorded on your Conduct Record. If you have only one academic misconduct at the lowest level (level A) in your career, then the record is wiped clear when you graduate. Otherwise it remains there permanently. *Many professions, such as accounting and law, require access to the student’s Conduct Record.*

4.1 Formal Requirements

To pass this course, you must:

- achieve a composite mark of at least 50 out of 100;
- make a satisfactory attempt at ALL assessment tasks.

4.2 Assessment Details

Assessment Task	Weighting	Length	Due date
Hand-in tutorial questions (2)	15%	See Section 4.4	See Section 4.4
Mid-session Exam	35%	90 minutes	Week 7
In-class assignment	15%	45 minutes	Week 10
Final Exam	35%	2 hours	University Exam Period
	100%		

4.3 Mid-session Exam

A mid-session exam will be held during the lecture of WEEK 7 (see Lecture Schedule). It will be of 1.5 hours in duration and will relate to the topics covered during the first six weeks of lectures. The purpose of the assessment is to test knowledge of the concepts introduced up to this point.

The mid-session exam covers both short-answer questions that require diagrams and verbal explanations, and longer essay type questions and/or problems that require diagrams, verbal explanations and numerical results if applicable.

There will be no supplementary tests offered for the mid-session exam. You should make every effort to take the mid-session exam.

There will be an in-class assignment in WEEK 10. It will be 45 minutes in duration and will be based on concepts of weeks 8-9.

4.4 Hand in Tutorial Questions

In selected weeks, students are required to submit to their tutor a typed answer to a tutorial question for that week. There are four hand-in questions. Information regarding the questions will be provided on Moodle early in the semester. Answers must be typed and submitted at the beginning of the tutorial to the tutor, in the week that the question is due. Any diagrams may be hand drawn. Tutors will not accept submission of these questions at any other time/place than in the tutorial.

Assessment Task	Weighting	Length	Due date
Hand-in question 1	5%	1 page	Week 3
Hand-in question 2	10%	2 pages	Week 6
In-class assignment	15%	3 pages	Week 10

4.5 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 8-13 (inclusive), and will have the following structure:

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 international trade.

4.6 Special Considerations

For information on Special Consideration please refer to the Business School's [Course Outlines Policies webpage](#). Applications for special consideration must be lodged online through myUNSW within 3 working days of the assessment (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your completed [Professional Authority form \(pdf - download here\)](#) and any [supporting documentation](#) to Student Central.

If approved, the student will have their final mark re-weighted according to the weight of the missed piece of assessment.

Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

4.7 Protocol for viewing final exam scripts

The UNSW Business School has set a protocol under which students may view their mid-session and final exam scripts. Please check the protocol [here](#).

4.8 Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning

goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential and will not be related to course grades

5 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 myExperience Survey Tool is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

6 COURSE RESOURCES

The website for this course is on UNSW Moodle at: <http://moodle.telt.unsw.edu.au>

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

Krugman, P. and M. Obstfeld (henceforth KO), International Economics: Theory and Policy, 7th edition, Addison and Wesley, 2006, ISBN-10: 0321278844.

Self-test questions are the basic applications of textbook theory. You can do self-tests quickly right after the lecture or after you preview the lecture notes and textbook before lecture. You may want to check the incorrectly answered questions from the textbook or ask help from classmates, the tutor or the lecturer. Tutorial questions cover the advanced application or extension of textbook theory.

Students will find the following textbook useful for some parts of the course. Required chapters will be posted online.

Robert C. Feenstra and Alan M. Taylor (henceforth FT) International Trade, Third Edition, Worth Publishers, 2014, ISBN-13: 9781429278447.

Also recommended for consultation:

Paul Krugman: *Pop Internationalism*, MIT Press.

Douglas Irwin: *Free Trade Under Fire*, Princeton University Press.

Papers and other references (e.g., newspaper articles) will be posted on Moodle.

7 COURSE SCHEDULE

7.1 Lecture Schedule

Lectures start in Week 1 and finish in Week 12.

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

LECTURE SCHEDULE		
Week	Topic	Reference
Week 1 24 July	Introduction to International Trade	K-O, Chapter 1-2
Week 2 31 July	Comparative Advantage and the Ricardian Model	K-O, Chapter 3
Week 3 7 August	The Specific-Factors Model	FT, Chapter 3
Week 4 14 August	The Heckscher-Ohlin Model	K-O, Chapter 4
Week 5 21 August	The Standard Model of Trade	K-O, Chapter 4, 5
Week 6 28 August	Models of Trade: Further Discussion and Empirical Evidence and Review	TBA
Week 7 4 September	Mid-session Exam	
Week 8 11 September	Increasing Returns to Scale and Imperfect Competition	K-O Chapter 6
Week 9 18 September	Firms in the Global Economy	K-O Chapter 8
Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday)		
Week 10 3 October	In-class assignment Trade Policy	K-O Chapter 9
Week 11 9 October	The Political Economy of Trade Policy	KO Chapter 10
Week 12 16 October	Distributional Effects of Trade on Advanced Economies	Autor, Dorn and Hanson. (2013). The China Syndrome: Local Labor Market Effects of Import Competition in the United States. <i>American Economic Review</i> 2013, 103(6): 2121–2168
Week 13 23 October	NO LECTURE	

7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13. Tutorial questions and solutions and tutorial schedule will be posted on the course website.