ECON4101 / ECON6302
International Trade
Course Outline
Semester 2, 2015

Part A: Course-Specific Information

Students are also expected to have read and be familiar with Part B Supplement to All Course Outlines. This contains Policies on Student Responsibilities and Support, Including Special Consideration, Plagiarism and Key Dates. It also contains the BUSINESS SCHOOL PROGRAM LEARNING GOALS.
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1 STAFF CONTACT DETAILS

Lecturer
Arpita Chatterjee
Room 430C, ASB
Phone No: 9385 4314
Email: Arpita.chatterjee@unsw.edu.au
Consultation Times – Thursdays 2.30-5.30 pm

1.1 Communications with staff

You should feel free to contact your lecturer(s) about any academic matter. However, it is strongly encouraged, for efficiency, that 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 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:
Mondays, 6-9 pm, BUSINESS SCHOOL 205

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 theory and practice of international trade. The course will emphasize both traditional neo-classical trade theory as well as the more modern strategic trade theory. The principles and predictions of these theories will be used to consider the recent developments in Australian trading relations and international trading relations in general.

2.4 Aims and Relationship to Other Courses
The course aims to develop an understanding of economic and political issues related to trade using modern micro-theoretic tools. This course is an elective subject for the Economics Honours program and the MPhil, MEc and PhD programs in Economics. This course assumes that you have solid understanding of undergraduate microeconomic theory and have at least completed intermediate microeconomics (ECON 2101). Prerequisites and degree regulations are outlined in the UNSW Handbook.
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 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 the Program Learning Goals and Outcomes, see Part B of the course outline.

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

<table>
<thead>
<tr>
<th>Program Learning Goals and Outcomes</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>This course helps you to achieve the following learning goals</td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
<tr>
<td>1 Knowledge</td>
<td>Understand and solve partial equilibrium and simple general equilibrium models of international trade.</td>
<td>• Assignment  • Final Exam</td>
</tr>
<tr>
<td>2 Critical thinking and problem solving</td>
<td>Analyze the effects of changing trade barriers on factor returns, composition of consumption and production, and welfare. Evaluate the incentives and welfare consequences of offshoring.</td>
<td>• Assignment  • Final Exam</td>
</tr>
<tr>
<td>3a Written communication</td>
<td>Construct written work which is logically and professionally presented.</td>
<td>• Assignment  • Final Exam</td>
</tr>
<tr>
<td>3b Oral communication</td>
<td>Communicate ideas in a succinct and clear manner.</td>
<td>• In-class presentation</td>
</tr>
<tr>
<td>4 Teamwork</td>
<td>Not specifically addressed in this course.</td>
<td>Not specifically assessed.</td>
</tr>
<tr>
<td>5a Ethical, environmental and sustainability considerations</td>
<td>Not specifically addressed in this course.</td>
<td>Not specifically assessed.</td>
</tr>
<tr>
<td>5b Social and cultural awareness</td>
<td>Not specifically addressed in this course.</td>
<td>Not specifically assessed.</td>
</tr>
</tbody>
</table>
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.

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. This means attendance at 80% of lectures (10 out of 12) and a mark of at least 40% in all assessment items.

4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Assignments</td>
<td>2 * 25%</td>
<td></td>
<td>Week 4 and 7</td>
</tr>
<tr>
<td>Oral Presentation</td>
<td>25%</td>
<td>In-class presentation</td>
<td>Not specified</td>
</tr>
<tr>
<td>Final Exam</td>
<td>25%</td>
<td>Take-home</td>
<td>As scheduled in official exam period</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Class Presentation
There will be class presentations by students in weeks 11 and 12. The presenter(s) choose one paper from the recommended reading list. The presenters are expected to prepare a 25-slide presentation summarizing the motivation, contribution, literature, empirical methods and results of the chosen paper. Each student will have a 30 minute presentation. The list of papers will be posted on the Moodle site in the first week of class. Students are expected to inform the lecturers of their choice by week 9.

4.4 Assignment Submission Procedure
Students must submit 1 hard copy to the lecturer in the class on due day. Your name and ID should be on the cover page. Students are encouraged to submit assignment in groups of maximum 3 people each.

4.5 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.

4.6 Final Exam Format
The final exam will be held during the University examination period with the date and time determined by the University. 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.
4.7 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 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.

6 COURSE RESOURCES

6.1 Course website

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

6.2 Textbook and readings

There is no prescribed textbook for this subject. Students interested in pursuing research work in trade are recommended to buy the following (some copies are available at the UNSW Bookshop).


Feenstra's book is a recent one and covers a wide variety of materials ranging from classical trade models to organization of firms. However there are some classic texts in international trade which you might wish to consult for in depth treatment of some of the materials (specially the general equilibrium modeling)


The examinable content of the course is defined by the references given in the Lecture schedule, the content of lectures, and the assignments.

Copies of the supplementary lecture notes, whenever needed, will be available on the course website on Moodle. Journal articles can be downloaded from the ejournals option on SIRIUS on the UNSW Library website. Most journal articles are available from ECONLIT. The assigned books are available from the Library (usually on open reserve).
7  COURSE SCHEDULE

7.1 Lecture Schedule
Lectures start in Week 1 and finish in Week 13. There will be no lecture in Week 10 (October 5). All required readings will be posted on the Course website.

Week 1. Technology Differences: Ricardian Trade Theory and Factor Endowment Differences: Heckscher - Ohlin Theory
Feenstra Chapter 1 and 2

Week 2. Imperfect Competition and Trade: Monopolistic Competition
Feenstra Chapter 5


Week 4: Factor Proportions and Trade and Firm-Level Empirical Evidence

Week 5: Extensions of Melitz model: Multi-sector model and endogenous markup

Week 6: Multiproduct Firms

Week 7: Estimation of Variable Markup

Week 8: Heterogeneous Quality

Week 9: Trade and Labor Market Adjustment

Week 10 – no lecture (Monday, October 5, is Labour Day)

Weeks 11 and 12 – Student presentations.

Note: We expect you to the read the required papers of the week before coming to class and to participate in the class discussion. We will present each week’s required paper(s) in class.