

School of Economics and Finance

**ECON 309 INTERNATIONAL TRADE**

Trimester 2, 2014

**COURSE OUTLINE**

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**Names and Contact Details**

Course Coordinator: Professor Ilan Noy (pronounced ee-lan)

Office: RH 201, Pipitea Campus

Email: [ilan.noy@vuw.ac.nz](mailto:ilan.noy@vuw.ac.nz)

Course Instructor: Azreen Karim (pronounced azrin)

Office: RH 330, Pipitea Campus

Email: [azreen.karim@vuw.ac.nz](mailto:azreen.karim@vuw.ac.nz)

Office Hours: Monday, 1-2 pm

Wednesday, 2-3 pm or by appointment

(Please contact me by email to arrange an appointment)

Course Administrator: Alice Fong

Office: RH 318

Email: [alice.fong@vuw.ac.nz](mailto:alice.fong@vuw.ac.nz)

**Trimester Dates**

Teaching Period: Monday 14th July – Friday 17th October

Study Period: Monday 20th October – Thursday 23rd October

Examination Period: Friday 24th October – Saturday 15th November (inclusive)

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 25th July 2014.
2. The standard last date for withdrawal from this course is Friday 26th September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

## **Class Times and Room Numbers**

**Lectures:** Mondays and Wednesdays, 11:30 – 12:20 pm, Government Buildings LT3

### **Tutorials:**

Tutorials will be held on weeks' 2-5 and 7-10.

Tutorial times and room numbers will be announced in the Blackboard.

## **Course Content**

This course will cover both trade and monetary aspects of international economics. The subject matter of international economics can be divided into two halves – international trade and international finance. The first half of the course (weeks 1-6) will discuss the merits of free trade among nations i.e. gains from and patterns of trade, different approaches to trade i.e. trade theories and the political factors affecting trade policies in practice. The second half (weeks 7-12) starts with questioning how countries' resolve trade imbalances (surplus/deficit) over time i.e. balance of payments. The discussion will encompass financial/monetary perspectives in open economies and develop models to help evaluate policies in determination of output, unemployment, price levels, and exchange rates for globally integrated economies.

## **Prescription**

Theories of international specialisation; trade and growth with consideration given to both the positive and normative effects of government policies relating to international trade. The course will also include an introduction to theories of the determinants of exchange rates.

## **Course Learning Objectives**

By the end of this course, students should be able to

1. Use the standard models to explain international trade
2. Use models of imperfect competition to explain trade
3. Explain and apply models of factor migration
4. Apply economic models to evaluate government trade policies
5. Explain and use a short run model of exchange rate determination
6. Use a short run model of the exchange rate incorporating money
7. Use a long run model of the exchange rate.

## **Expected Workload**

Total number of hours of work expected from students is 150.

## **Required Reading**

P. Krugman, M. Obstfeld, and M. Melitz, *International Economics: Theory and Policy*, 10th Edition, Pearson.

## **Lecture Topics**

Part A: International Trade (weeks 1-6)  
Krugman, Obstfeld, and Melitz, Chapters 1-12.

Part B: International Macroeconomics (weeks 7-12)  
Krugman, Obstfeld, and Melitz, Chapters 13-22.

## **Materials and Equipment**

No electronic calculators/gadgets are allowed during examinations.

## **Assessment**

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

## **Assessment for this course:**

Test 1 (August 18, 2014)	20% - Learning objectives 1, 2, and 3
Test 2 (October 8, 2014)	20% - Learning objectives 5, 6, and 7
Final examination	60% - Learning objectives 1 through 7

Test 1 and Test 2 will be held in the class room during class time and the duration of the final examination will be three (3) hours scheduled by the University during the formal examination period.

## **Examinations**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from **Friday 24th October – Saturday 15th November (inclusive)**

## **Mandatory Course Requirements**

The two tests are **mandatory**, as well as the final examination.

If you cannot complete an assignment or sit a test or examination, refer to [www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

### **Note to Students**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

### **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and submitted to Turnitin. A copy of submitted materials will be retained on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

### **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

### **Communication of Additional Information**

Any additional information or information on changes will be conveyed via **Blackboard**.

### **Student feedback**

Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php)

### **Link to general information**

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

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