

School of Economics and Finance

ECON309 INTERNATIONAL TRADE

Trimester 2, 2016

COURSE OUTLINE

Prescription

Theories of international specialization; 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

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

Course Content

This course will cover both trade and financial 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 current accounts and exchange rates for globally integrated economies.

Trimester Dates

Teaching Period: Monday 11th July – Friday 14th October

Study Period: Monday 17th October – Thursday 20th October

Examination Period: Friday 21st October – Saturday 12th November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 22nd July 2016.
2. The standard last date for withdrawal from this course is Friday 23rd September 2016. 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 or [online](#).

Names and Contact Details

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| Lecturer & Course Coordinator | Yothin Jinjarak Email: yothin.jinjarak@vuw.ac.nz Office hours: TBA | RWW108 Ph: 463-9532 |
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| Course Administrator: | Alice Fong Email: alice.fong@vuw.ac.nz | RWW120 Ph: 463-5353 |
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Class Times and Room Numbers

Tuesday and Friday 10:30-11:20 in GBLT4

Course Delivery

24 lectures, 8 tutorials; lecture notes and course materials will be available from Blackboard. All students are expected to attend one tutorial per week, for 8 weeks in teaching weeks 3, 4, 5, 6, and 9, 10, 11, 12. Arrangement for allocations to tutorial groups will be posted on Blackboard. In the event of any difficulties with tutorial allocation, please contact Alice Fong (alice.fong@vuw.ac.nz; RWW120).

Readings

Required: McLaren, John, 2013, International Trade: Economic Analysis of Globalization and Policy, John Wiley & Sons.

Mandatory course requirements

In addition to achieving an overall pass mark of at least 50%, students must sit both tests.

If you believe that exceptional circumstances may prevent you from meeting the mandatory course requirements, contact the Course Coordinator for advice as soon as possible.

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

Expected Workload

3 hours in class per week (2 lectures, plus 1 tutorial, per week), and to spend 8 hours per week reading, studying, and completing tutorial questions. While lectures run for 12 weeks (and tutorials for 8 weeks), it is expected that study outside lectures and tutorials will be spread over a 15-week period. Total number of hours of work expected from students is 150.

Assessment

The Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

| | | |
|-----------------|-------------|--------------------------|
| 15% from Test 1 | 10:30-11:20 | August 19 th |
| 15% from Test 2 | 10:30-11:20 | October 11 th |

70% from the final exam (2 hours), to be scheduled during the formal examination period

Preparing for and sitting the Test 1 will assist the student to achieve Course Learning Objectives 1-4; preparing for and sitting the Test 2 will assist the student to achieve Course Learning Objectives

5-7; preparing for and sitting the final exam will assist the student to achieve Course Learning Objectives 1-7.

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 following period:

Friday 21st October – Saturday 12th November (inclusive)

Group Work

There is no group work in this 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.

Materials and Equipment

There is no specific equipment and machine required in tests and examinations for this course.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php.

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

Additional information will be conveyed to students via Blackboard. Emails may also be sent to you from time to time to the email address recorded under Student Records.

Link to general information

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

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.

ECON309 Lecture Programme

| Lecture Week | Topic | Readings |
|-----------------|---|-----------------|
| 1 | Ricardian Model | M02 |
| 2 | Heckscher-Ohlin Model | M06 |
| 3 | Increasing Return to Scale | M03 |
| 4 | Offshoring | M11 |
| 5 | Tariffs & Quotas | M07 |
| 6 | Immigration <i>Test 1 (August 19th)</i> | M12 |
| 7 | Multilateral Organizations | M08 |
| 8 | Trade Creation & Diversion | M15 |
| 9 | Current Accounts | M16 |
| 10 | Exchange Rate Determination | M17 |
| 11 | Exchange Rate and Prices | M17 |
| 12 | Global Financial Systems <i>Test 2 (October 14th)</i> | Lecture note |
