BEA202
International Economics

HOBART CAMPUS

Unit Outline
Semester 1, 2013

Unit Coordinator:

Mr Norton Grey

CRICOS Provider Code: 00586B
© The University of Tasmania 2011
UNIT DESCRIPTION

This is an intermediate level unit in Economics. It is a unit for students who have elected the Business Economics major in the Bachelor of Business (BBus) and the Economic Policy major in the Bachelor of Economics (BEC) degrees. (The unit may also be included as core for those students still completing the Asia Pacific major). This unit is an elective in all other BEc majors.

This unit provides students with a balance micro and macro view of Economics in a worldwide perspective. There will be normative views discussed in the development of the world regions and quantitative and analytical approach taken on key areas such as trade theory.

The unit aims to extend knowledge about the Global economy and provide analytical tools to provide efficient outcomes for the global economy. We will also discuss why uneven development occurs, is convergence possible and why efficiency and equity do not always complement each other.

ALTERATIONS TO THE UNIT AS A RESULT OF STUDENT FEEDBACK

The University of Tasmania, on a regular basis, evaluates its teaching and learning environment through the Student Evaluation of Teaching and Learning (eVALUate) system. The University values feedback from students and from time to time you will be asked to complete a SETL evaluation for a unit of study. For more information on eVALUate go to:


PRIOR KNOWLEDGE &/OR SKILLS

Nil

INTENDED LEARNING OUTCOMES AND GENERIC GRADUATE ATTRIBUTES

The University has defined a set of generic graduate attributes (GGAs) that can be expected of all graduates (see http://www.utas.edu.au/policy/attributes_grads.pdf). By undertaking this unit you should make progress in attaining the following attributes outlined on the following table:
<table>
<thead>
<tr>
<th>Learning Outcome</th>
<th>Assessment Criteria</th>
<th>Assessment</th>
<th>Generic Attribute**</th>
</tr>
</thead>
<tbody>
<tr>
<td>LO1 Ability to calculate and apply microeconomic tools to trade analysis.</td>
<td>In assessing this LO, we will look at your ability to: Demand and supply analysis to determine international price and price elasticity Purchasing power parity Understand the effect of taxes, subsidies and quotas. Characterise goods and markets using price, cross price and income elasticity</td>
<td>Mini Quiz Exam</td>
<td>Knowledge Problem Solving Communication</td>
</tr>
<tr>
<td>LO2 Critically evaluate Ricardian comparative advantage and the concepts of free trade</td>
<td>Apply both graphical and algebra models to determine absolute and comparative advantage Comprehend and define Terms of Trade Examine government policy to alter comparative advantage. Concept of Strategic and Sunrise industries Appreciate the impact of trade on social change and resulting welfare effects. Recognise the implications of Immiserizing and Dutch disease Explore policies to maximize country benefit</td>
<td>Mini Quiz Major Quiz Exam</td>
<td>Knowledge Problem Solving Communication Global Perspective Social Responsibility</td>
</tr>
<tr>
<td>LO3 Global Co-operation Discover major World Institutions and their role in facilitating world trade</td>
<td>World bank, IMF World Trade Organization Trading blocks and co-operation centres ASEAN, APEC, EC and NAFTA</td>
<td>Mini Quiz Major Quiz Exam</td>
<td>Knowledge Communication Global Perspective Social Responsibility</td>
</tr>
<tr>
<td>LO4 Global perspective Contrast the ethical and equity issues associated with application of economic efficiency on a global basis.</td>
<td>G7, G8, G10, G20 Growth, convergence or divergence Third world and the role of international aid North South divide inequity in trade networks Globalization and sovereignty Social adjustment costs, welfare analysis and social disruption Standards; Health, Safety and Freedom</td>
<td>Assignment Exam</td>
<td>Knowledge Problem Solving Communication Social Responsibility.</td>
</tr>
<tr>
<td>LO5 Explain and evaluate the medium of international transactions, Exchange rate policy and interest rates</td>
<td>Market forces that determine exchange rates Fixed versus Floating exchange rates Export lead growth Interest rates and world parity</td>
<td>Exam</td>
<td>Knowledge Problem Solving Social Responsibility</td>
</tr>
</tbody>
</table>
LEARNING EXPECTATIONS AND TEACHING STRATEGIES/APPROACHES

EXPECTATIONS

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

The University’s Code of Conduct for Teaching and Learning states:

Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.

WORKLOAD EXPECTATIONS

As a guide, it is expected that you will need to allocate at least an average of 8 hours per week to study in this unit:

- 3 hours for attendance at the lecture and workshop,
- 1 hour reviewing and organising lecture notes,
- 2 hours reading the textbook and other readings,
- 2 hours preparing for assignments.

TEACHING AND LEARNING STRATEGIES

If you need assistance in preparing for study please refer to your tutor or lecturer. For additional information refer to the Learning Development website: http://www.utas.edu.au/student-learning/home.

If you will be using MyLO for the first time and would like some information on how to use MyLO refer to the information found on the entry page: http://www.utas.edu.au/learning-teaching-online/new-mylo/home

ADDITIONAL ASSISTANCE

If you are experiencing difficulties with your studies or assignments, have personal or life-planning issues, disability or illness which may affect your course of study, you are advised to raise these with your lecturer in the first instance.

There is a range of University-wide support services available to you including Academic and Support Services and other services assisting with Student Life. Please refer to the Current Students homepage at: http://www.utas.edu.au/students/

Should you require assistance in accessing the Library visit their website for more information at:
http://www.utas.edu.au/library/

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University’s policy at:
LEARNING RESOURCES REQUIRED

PRE-REQUISITES/CO-REQUISITES UNITS

BEA111 Principles of Economics 1

REQUISITE TEXTS


This text book is a standard text at many US and Australian universities. Each chapter has case studies containing a real world situation that provides better understanding and practical application of the concepts discussed in that chapter;


This is an excellent alternative text, which covers the same material and can assist students with a slightly different perspective.

The library also contains a wide set of international texts which would assist students in their understanding.

E- (ELECTRONIC) RESOURCES

Many students find it useful to consult alternative references as part of their study program. Some useful alternative references are:


FOR MYLO

This unit web dependent, and access to the MyLO online unit is required. Log in to MyLO at:


TECHNICAL REQUIREMENTS FOR MYLO

For help and information about setting up your own computer and web browser for MyLO, see: [http://uconnect.utas.edu.au](http://uconnect.utas.edu.au/)
DETAILS OF TEACHING ARRANGEMENTS

LECTURES

Lectures are held weekly, beginning in week 1 in the Commerce Building Lecture Theatre 1 (see below for details)

*Thursdays 3:00pm to 5:00pm in (SB.Comm108.LT2)*

Note that, due to the ANZAC Public Holiday (April 25), the lecture in Week 8 will be presented at the alternative time of *Friday, 1:00pm – 3:00pm*, SB.UniCentre208.LT1. Students who are unable to attend this lecture can access the audio-video presentation of the material on MyLO and/or the MyMedia recording. If you experience any problems with the recordings for help please to the MyMedia website at: [http://www.utas.edu.au/mymedia-service/](http://www.utas.edu.au/mymedia-service/)

WORKSHOPS

Workshops are provided primarily to improve your understanding of the unit’s material. To benefit most from them, you should come well prepared and should already have attempted the workshop exercises. Solutions to the workshop exercises will be put on MyLO a few days after the last workshop for the week is held.

Missing the workshop classes and relying on reading the workshop solutions is a flawed learning approach that in the past has resulted in students under-performing or failing the unit.

Workshops (WS) are held weekly, beginning in week 2 in various (see below for details). There are two alternate workshop times:

- **WS1 – Tuesday 10:00am to 11:00am in Room 405, Hytten Hall (SB.Hytten405)**
- **WS2 – Tuesday 4:00pm to 5:00pm in Room 513, Commerce (SB.Comm 513)**
- **WS3 – Thursday 5:00pm to 6:00pm in Room 513, Business (SB.Comm513)**

You may choose which best suits you and change if need to, no role will be taken, but attending one regularly will best ensure return of any assessment to you. I need a minimum number in each workshop and if insufficient numbers one maybe dropped.

OFFICE HOURS AND APPOINTMENTS

All students are able to consult the lecturers on an individual or small group basis during office hours or by appointment. Students experiencing difficulty in the unit are urged to make use of this service early in the semester. Where possible please respect these office and appointment hours and make sure that you have tried to solve problems before seeking individual assistance.

*Tuesday 9:00am to 10:00am and Thursday 10:00am to 12:00noon or by appointment*

To arrange an appointment email Norton.Grey@utas.edu.au or phone Miss Tracy Kostiuk on 03 6226 7672 at least a day in advance and wait for a response confirming your appointment.

EMAIL CORRESPONDENCE

Staff are not required to respond to emails in which students are offensive or threatening or in which they do not identify themselves by providing their names. When contacting staff by email you must observe the basic rules of email etiquette. For example you should use punctuation in the normal manner, check your spelling and limit the use of abbreviations. You should also use the title or form of address that you would use in verbal communication. You must clearly identify yourself in the body of the email and include the unit code, or name, and campus in the subject heading (e.g BEA111 Hobart or Principles of Economics 1 Launceston).
**SPECIFIC ATTENDANCE/PERFORMANCE REQUIREMENTS**

While the lecture notes for BEA202 are available via MyLO, most of the diagrams (of which there are many) and other concepts cannot be easily understood just by reading the lecture notes. In fact some of the diagrams are incomplete and will be completed and labelled in the lectures. Attendance at lectures is required to understand the economic concepts and diagrams.

Past students have found that for BEA202 International Economics they principally learn by doing and participating. The workshop exercises are designed to accomplish this role if students:

i) Attempt the workshop exercises prior to the workshop

ii) Attend the workshop class to interact with other students and see and hear the solution to the exercises.

**ASSESSMENT**

**ASSESSMENT SCHEDULE**

<table>
<thead>
<tr>
<th>Component</th>
<th>Due date</th>
<th>Weighting</th>
<th>Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quiz 1</td>
<td>Week 4, Thursday 21st March, 13:00pm Lecture</td>
<td>10%</td>
<td>LO1, LO2</td>
</tr>
<tr>
<td>Quiz 2</td>
<td>Week 9, Thursday 2nd May, 13:00am Lecture</td>
<td>10%</td>
<td>LO2, LO3, LO4</td>
</tr>
<tr>
<td>Assignment</td>
<td>Week 13, Monday 27th May, 12noon</td>
<td>20%</td>
<td>LO3, LO4, LO5</td>
</tr>
<tr>
<td>Examination</td>
<td>Examination Period 8th June to the 25th June</td>
<td>60%</td>
<td>LO1 – LO5</td>
</tr>
</tbody>
</table>

**ASSESSMENT DETAILS**

**QUIZ NO 1**

**TASK DESCRIPTION**

Quiz based on the material presented in the first three lectures

**TASK LENGTH**

60 minutes

**LINKS TO UNIT’S INTENDED LEARNING OUTCOMES**

LO1 and LO2

**ASSESSMENT CRITERIA**

Five short answer questions

**DATE DUE**

Week 4, Thursday 21st March, 13:00am Lecture

**QUIZ NO 2**

**TASK DESCRIPTION**

Quiz 2 based on material presented lectures 4 to 8

**TASK LENGTH**

60 minutes

**LINKS TO UNIT’S LEARNING OUTCOMES**

LO2, LO3, and LO4

**ASSESSMENT CRITERIA**

3 short answer questions and 2 theoretical questions.

**DATE DUE**

Week 9, Thursday 2nd May, 13:00am Lecture
### ASSIGNMENT

**TASK DESCRIPTION**

Assignment based on material from weeks 4 to 8

**TASK LENGTH**

Each question paragraph each, including relevant diagrams and references where appropriate.

**LINKS TO UNIT’S INTENDED LEARNING OUTCOMES**

LO3, LO4 and LO5

**ASSESSMENT CRITERIA**

10 short answer questions, legibly presented with calculations

**DATE DUE**

Week 13, Monday 27th May, 12noon

---

### FINAL EXAM

**DESCRIPTION / CONDITIONS**

3 Hours Duration
- Answer SIX (6) questions only from a choice of TEN (10) questions. Each question is worth 30 marks.
- Total marks: 180.

**THE FINAL EXAM IS CONDUCTED BY THE UNIVERSITY REGISTRAR IN THE FORMAL EXAMINATION PERIOD. SEE THE CURRENT STUDENTS HOMEPAGE (EXAMINATIONS AND RESULTS) ON THE UNIVERSITY’S WEBSITE.**

### HOW YOUR FINAL RESULT IS DETERMINED

Your final mark for this unit is determined by your internal assessment (40%) and your examination mark (60%). In order to pass this unit your final total mark (i.e., the sum of internal and examination mark) must be 50% or higher. Final marks may be moderated.

### SUBMISSION OF ASSIGNMENTS

Your essay must be submitted electronically via the relevant icon for this unit in MyLO.

In addition to the essay being submitted electronically you **MUST** also submit a hardcopy of your essay. All work must have the School of Economics and Finance Assignment Cover Sheet attached. The cover sheet will be available on the unit page on MyLO. It is essential to fill in your name, student ID number on the Cover Sheet. Please remember that you are responsible for lodging your written work on or before the due date.

You are required to keep a copy – photocopying is ideal. Even in the most ‘perfect’ of systems, items sometimes go astray. Lodge your assignments in the box marked BEA202 on Level 4, Foyer Area, Commerce Building. Work will be returned during tutorial classes. If you are unable to attend your allocated tutorial uncollected assignments will be available from your tutors in their designated office hours only.

### REQUESTS FOR ASSIGNMENT EXTENSION

Assignment extensions will only be granted on the basis of consultation with your lecturer well before the due date. If you are ill, please provide a medical certificate so that this can be noted. Students are required to fill out the form “Approval of an extension for an assignment”. The form can be found on the MyLO site.

If you are unable to attend the one of the quizzes due to circumstances beyond your control, please inform your lecturer well before the quiz date and fill out the form “Request to sit a test at an alternative time”, so that alternative arrangements can be made. Supporting documentation should also be attached to this form.
LATE ASSESSMENT POLICY

1. In this Policy

(a) ‘day’ or ‘days’ includes all calendar days, including weekends and public holidays;

(b) ‘late’ means after the due date and time; and

(c) ‘coursework’ includes all internal non-examination based forms of assessment

2. This Policy applies to all students enrolled in Faculty of Business Units at whatever Campus or geographical location.

3. Students are expected to submit coursework on or before the due date and time specified in the relevant Unit Outline. The onus is on the student to prove the date and time of submission.

4. Students with special circumstances may apply for an extension. Requests for extensions should, where possible, be made in writing to the Unit Coordinator on or before the due date. Students will need to provide independent supporting documentation to substantiate their claims.

5. Late submission of coursework will incur a penalty of 10% of the total marks possible for that piece of assessment for each day the coursework is late unless an extension had been granted on or before the relevant due date.

6. Coursework submitted more than five (5) days late will not be accepted.

7. Academic staff do NOT have the discretion to waive a late penalty, subject to clause 4 above.

ACADEMIC REFERENCING

In your written work you will need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others and maintain academic integrity.

Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence.

The appropriate referencing style for this unit is: the Harvard style. For information on presentation of assignments, including referencing styles: http://utas.libguides.com/referencing

ACADEMIC MISCONDUCT

Academic misconduct includes cheating, plagiarism, allowing another student to copy work for an assignment or an examination and any other conduct by which a student:

(a) seeks to gain, for themselves or for any other person, any academic advantage or advancement to which they or that other person are not entitled; or

(b) improperly disadvantages any other student.

Students engaging in any form of academic misconduct may be dealt with under the Ordinance of Student Discipline, and this can include imposition of penalties that range from a deduction/cancellation of marks to exclusion from a unit or the University. Details of penalties that can be imposed are available in Ordinance 9: Student Discipline – Part 3 Academic Misconduct, see http://www.utas.edu.au/__data/assets/pdf_file/0006/23991/ord91.pdf.
Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else’s thoughts, writings or inventions and representing them as your own; for example, using an author’s words without putting them in quotation marks and citing the source, using an author’s ideas without proper acknowledgment and citation, copying another student’s work. If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at: http://www.academicintegrity.utas.edu.au/

The intentional copying of someone else’s work as one’s own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University.

The University and any persons authorised by the University may submit your assessable works to a plagiarism checking service, to obtain a report on possible instances of plagiarism. Assessable works may also be included in a reference database. It is a condition of this arrangement that the original author’s permission is required before a work within the database can be viewed.

For further information on this statement and general referencing guidelines, see http://www.utas.edu.au/students/plagiarism/ or follow the link ‘Rules / Policy’ under ‘Administration’ on the Current Students homepage http://www.utas.edu.au/students/.

HELP RESOLVING CONCERNS ABOUT THIS UNIT

If you have any concerns or complaints with the administration and/or management in this unit or your BEc course of either a general or personal nature, then you might in the first instance discuss the matter with your lecturer. If you feel that you would rather discuss the issue with an independent person within the School of Economics and Finance, then contact: Sarah Jennings, School of Economics and Finance, Room 410, email: Sarah.Jennings@utas.edu.au

If the matter is still unresolved and you would like to know who to contact or the procedures for resolving your concern refer to the following website: http://www.admin.utas.edu.au/ac_serv/complaints_info.html.

The Hobart based Tasmanian University Union (TUU) or the Launceston/Burnie based Student Association (SA) may also be able to assist.

BACHELOR OF ECONOMICS COURSE COORDINATOR

If you require assistance with your course please see:

Course coordinator: Dr Michael Brooks

Campus: Hobart, Commerce Building, Level 4, Room 405A

Contact 03 6226 2286
## UNIT SCHEDULE

<table>
<thead>
<tr>
<th>WEEK BEGINNING</th>
<th>LECTURE</th>
<th>TOPIC</th>
<th>TEXT REFERENCE</th>
<th>IMPORTANT DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1 27 Feb</td>
<td>Lecture 1 (28&lt;sup&gt;th&lt;/sup&gt; Feb)</td>
<td>• Introduction and Deriving Production Possibility Curves</td>
<td>Introduction and Appendix A</td>
<td>Lectures Begin</td>
</tr>
<tr>
<td>Week 2 5 Mar</td>
<td>Lecture 2 (7 Mar) WS1 Exercises</td>
<td>• Demand and Supply • Comparative Advantage • Factor Endowment</td>
<td>Part One</td>
<td></td>
</tr>
<tr>
<td>Week 3 12 Mar</td>
<td>Lecture 3 (14 Mar) WS2 Exercises</td>
<td>• Winners are Grinners • Losers are Whingers • Trade as the Engine of Growth</td>
<td>Part One</td>
<td></td>
</tr>
<tr>
<td>Week 4 19 Mar</td>
<td>Lecture 4 (21 Mar) WS3 Exercises</td>
<td>• Tariff • Non Tariff Barriers • TWO Trading Blocks</td>
<td>Part Two</td>
<td></td>
</tr>
<tr>
<td>Week 5 26 Mar</td>
<td>Lecture 5 (4 April) WS4 Exercises</td>
<td>• Trade and Developing Countries Tariffs • Nontariff Barriers • Export Taxes • Multinationals</td>
<td>Part Two</td>
<td></td>
</tr>
<tr>
<td>Week 6 2 Apr</td>
<td>Lecture 6 (11 April) WS5 Exercises</td>
<td>• Understanding Foreign Exchange • Exchange Rates</td>
<td>Part Three</td>
<td></td>
</tr>
<tr>
<td>Week 7 9 Apr</td>
<td>Lecture 7 (18 Apr) WS6 Exercises</td>
<td>• International Lending • Aid</td>
<td>Part Three</td>
<td></td>
</tr>
<tr>
<td>Week 8 16 Apr</td>
<td>Lecture 8 (25 Apr) WS7 Exercises</td>
<td>• The Open Economy</td>
<td>Part Four</td>
<td></td>
</tr>
</tbody>
</table>

**Easter Break – Thursday 21<sup>st</sup> April to Tuesday 26<sup>th</sup> April**

| Week 9 30 Apr  | Lecture 8 (2 May) WS8 Exercises | • Fixed Effects on a Nations Macroeconomy | Part Four |
| Week 10 7 May  | Lecture 9 (9 May) WS9 Exercises | • To Float or Not to Float and the Effects on a Nations Macroeconomy | Part Four |
| Week 11 14 May | Lecture 10 (16 May) WS10 Exercises | • China, India and Indo China – Are they Different? | Not Applicable |
| Week 12 21 May | Lecture 11 (23 May) WS11 Exercises | • Game Theory and Trade | Handout |
| Week 13 28 May | Lecture 12 (30 May) No workshops | • Course Review • Exam Hints and Format • SETL, Exam Info | Assignment – Monday 27th May 12:00noon |

**Study Week – Monday 4<sup>th</sup> May to Friday 8<sup>th</sup> June 2012**

**Exam Period: Starts Saturday 9<sup>th</sup> June to Tuesday 26<sup>th</sup> June 2012**