Tasmanian School of Business and Economics

BEA703
INTERNATIONAL TRADE

Semester 2, 2018
Unit Outline

Dugald Tinch
CONTACT DETAILS

Unit coordinator

Unit coordinator: Dugald Tinch
Campus: Hobart
Email: Dugald.Tinch@utas.edu.au
Phone: 03 6226 1877
Room location: Room 222, Centenary Building, Sandy Bay
Consultation hours: Immediately following class each week or any other time by arrangement.
CONTENTS

WHAT IS THE UNIT ABOUT?  2
UNIT DESCRIPTION  2
INTENDED LEARNING OUTCOMES  2
ALTERATIONS TO THE UNIT AS A RESULT OF STUDENT FEEDBACK  2

HOW WILL I BE ASSESSED?  3
ASSESSMENT SCHEDULE  3
ASSESSMENT DETAILS  3

WHAT LEARNING OPPORTUNITIES ARE THERE?  6
RESOURCES  6
ACTIVITIES  6
UNIT SCHEDULE  7

ACCREDITATION  9
AACSB ACCREDITATION  9
NOTICE

This Unit Outline refers to the Unit Outline Essential Information resource which includes information, policies and requirements relevant to this unit. You must read the Essential Information resource as it is considered part of this Unit Outline.

WHAT IS THE UNIT ABOUT?

Unit description

This unit provides you with an introduction to a wide range of issues related to international trade and international economics. We investigate why nations trade, what they trade and who gains from this trade. We then analyse the motives for countries and organisations to restrict and regulate international trade and study the impacts of such policies on economic welfare. The unit also covers selected topics in international macroeconomics. There is also opportunity to explore selected contemporary trade issues including globalisation, sustainability and the environment and distributional impacts of trade.

Intended Learning Outcomes

On completion of this unit, you will be able to:

1. Apply an economic way of thinking to discuss the economic behaviour of consumers, firms and governments within the context of international markets for goods and services.

2. Use appropriate economic model and graphical techniques to support the economic analysis of international trade flows, the assessment of various trade-related government policies, and macroeconomic issues.

3. Discuss from various perspectives, a range of contemporary and topical micro- and macroeconomic trade related issues.

Alterations to the unit as a result of student feedback

The end of semester in class test has been split into a number of shorter tests so that assessment occurs throughout the unit.
HOW WILL I BE ASSESSED?

Assessment schedule

<table>
<thead>
<tr>
<th>Assessment task</th>
<th>Date due</th>
<th>Percent weighting</th>
<th>Links to Intended Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Task 1: In Class Tests</td>
<td>Week 3,5,7,9,11*</td>
<td>40%</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Assessment Task 2: Briefing Note</td>
<td>Week 6</td>
<td>20%</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Assessment Task 3: Group Poster</td>
<td>Week 9,10**</td>
<td>10%</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>Assessment Task 4: Essay</td>
<td>Week 12</td>
<td>30%</td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>

* Week 11 is to be used if there is any reason to delay any of the earlier tests

** Poster sessions will be held in both week 9 and 10, your group will be assigned to one session but you are expected to attend both to give feedback to other groups.

Assessment details

Assessment task 1: In Class Tests

Task description: The In Class Tests will be based on the materials across the unit. They will consist of multiple choice, short answer and multi-part questions.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion 1</td>
<td>Demonstrate an understanding of the economic behaviour of consumers, firms and governments within the context of international markets for goods and services.</td>
</tr>
<tr>
<td>Criterion 2</td>
<td>Demonstrate an understanding of the economic analysis of international trade flows, the assessment of various trade-related government policies, and macroeconomic issues.</td>
</tr>
<tr>
<td>Criterion 3</td>
<td>Demonstrate an understanding of a range of contemporary and topical micro- and macroeconomic trade related issues.</td>
</tr>
</tbody>
</table>

Task length: 4 x 45 minutes

Due by date: Tests will be held in week 3,5,7 and 9 (if there are any reasons to delay particular tests week 11 will be used)
### Assessment task 2: Briefing Note

**Task description**
You will be asked to prepare a briefing note for the government of a country in relation to a contemporary economic issue related to international trade and international economics. You will be required to apply an economic way of thinking and to relate the theory of international trade and international economics to this issue based on the material covered in weeks 1 to 5.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion 1</strong></td>
<td>Identify the issue your briefing note addresses and communicate why it is important/interesting in relation to international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 2</strong></td>
<td>Present information/arguments relevant to the issue and key international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 3</strong></td>
<td>Information/arguments synthesised and conclusions/lessons identified</td>
</tr>
</tbody>
</table>

**Task length**
Maximum 1500 words

**Due by date**
2:00 pm Friday Week 6

### Assessment task 3: Group Poster

**Task description**
Extending on the work carried out throughout the unit, in teams you will be given a topic of relevance to international trade and international economics for which you will prepare a poster to demonstrate the key arguments related to that topic. You will be required to present your poster to other class members.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion 1</strong></td>
<td>Identify the issue your poster addresses and communicate why it is important/interesting in relation to international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 2</strong></td>
<td>Present information/arguments relevant to the issue and key international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 3</strong></td>
<td>Information/arguments synthesised and conclusions/lessons identified</td>
</tr>
</tbody>
</table>

**Task length**
1 A3 sized poster and 5 to 10 minutes presentation.

**Due by date**
In class week 9 and 10
**Assessment task 4: Essay**

**Task description**  
The essay is an individual piece of work and requires you to apply the economic way of thinking and the theories/approaches of international trade to discuss and analyse an issue/debate in international trade. Detailed guidelines and instructions will be distributed in lectures and posted on MyLO. Your essay topic will be the same as one of the poster topics.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Measures Intended Learning Outcome:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion 1</strong></td>
<td>Identify the issue your essay addresses and indicate why it is important/interesting in relation to international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 2</strong></td>
<td>Present information/arguments relevant to the issue and key international trade theory</td>
</tr>
<tr>
<td><strong>Criterion 3</strong></td>
<td>Information/arguments synthesised and conclusions/lessons identified</td>
</tr>
<tr>
<td><strong>Task length</strong></td>
<td>Maximum 2500 words</td>
</tr>
<tr>
<td><strong>Due by date</strong></td>
<td>2:00 pm Friday Week 12</td>
</tr>
</tbody>
</table>
WHAT LEARNING OPPORTUNITIES ARE THERE?

Resources

Required readings
You will need the following text:


Or


Recommended readings


Reading Lists

Reading Lists provide direct access to all material on unit reading lists in one place. This includes eReadings and items in Reserve. You can access the Reading List for this unit from the link in MyLO, or by going to the Reading Lists page on the University Library website.

Activities

Details of teaching arrangements

There will be three hours of lectures and/or workshops per week. You should have completed the relevant readings before the first lecture each week.

Specific attendance/performance requirements

You are required to attend all sessions.

In this unit, your active engagement will be monitored in the following way:

1. Class tests
2. Briefing note topic discussion and selection

If you do not demonstrate evidence of having engaged actively with this unit by completing these two activities by Week 4 of semester, your enrolment may be cancelled or you may be withdrawn from the unit.
<table>
<thead>
<tr>
<th>Week</th>
<th>Date Beginning</th>
<th>Topic/Module/Focus Area</th>
<th>Activities</th>
<th>Resources/Readings/Further Information</th>
</tr>
</thead>
</table>
| 1    | 16 July        | Introduction to the Unit and The theory of international trade | • Thinking as an Economist  
• Supply, Demand and the Market Process  
• Economic Efficiency  
• Opportunity costs and the production possibility curve  
• Indifference curves  
• Production and consumption together  
• Determining equilibrium prices  
• Supply and demand and offer curves | Ch 1-4 |
| 2    | 23 July        | The theory of international trade 1 | • The gains to trade  
• The terms of trade  
• What determines the trade pattern?  
• Factor endowment  
• The Heckscher-Ohlin Theory  
• Evidence of gains from trade and recent changes in the pattern of international trade | Ch 4-5  
We will discuss possible briefing not topics |
| 3    | 30 July        | The theory of international trade 2 | • Other explanations for trade  
• Economic growth and trade | Ch 6-7 In class test 1 based on material in week 1 and 2 |
| 4    | 6 August       | International macroeconomics | • Balance-of-payments  
• What determines exchange rates?  
• Foreign exchange and government policy | Ch 18-19  
Briefing note topic selection identified to unit coordinator |
| 5    | 13 August      | Trade policy 1 | • Protectionism - Tariffs  
• Protectionism - Non-tariff barrier | Ch 8-9 In class test 2 based on material from week 3 and 4 |
| 6    | 20 August      | Trade policy 2 | • The Protectionist debate  
• Subsidies, Trade blocs/blocks | Ch10-12  
Briefing Note due Friday 2pm |
<p>| 7    | 27 August      | Trade and the Environment and | • Environmental Impacts of | Ch 13-14 |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>8th</th>
<th>10th</th>
<th>Event</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td></td>
<td></td>
<td>Trade and Development</td>
<td>trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Development and trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In class test 3 based on material from week 5 and 6</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>Summary and Revision Session</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>17</td>
<td>10</td>
<td>Poster sessions</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>24</td>
<td>10</td>
<td>Poster sessions</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>10</td>
<td>Feedback</td>
<td>Poster feedback and essay questions and answer session.</td>
</tr>
<tr>
<td>12</td>
<td>8</td>
<td>10</td>
<td>Discussion session</td>
<td>We will further discuss some of the contemporary issues in international trade (e.g. changes to United States trade policy) and what we might expect the outcomes to be based upon the theories covered in class.</td>
</tr>
<tr>
<td>13</td>
<td>15</td>
<td>10</td>
<td>No lecture</td>
<td></td>
</tr>
</tbody>
</table>

**Mid-semester break: 3 – 9 September**
ACCREDITATION

AACSB Accreditation

The Tasmanian School of Business and Economics (TSBE) is currently in the process of applying for business accreditation with the Association to Advance Collegiate Schools of Business (AACSB) – the lead program for accrediting business schools globally. AACSB seeks to connect educators, students, and business to achieve a common goal – to create the next generation of business leaders.

By joining AACSB and going through the accreditation process, TSBE is joining a global alliance committed to improve the quality of business education around the world, and to share the latest innovations in business education. Gaining Business Accreditation with AACSB is a multi-year process involving TSBE demonstrating our performance against the 15 accreditation standards.

Once complete, TSBE will join a select community of accredited business schools, with only 7% of all business schools globally having completed the AACSB process. This will further enhance the reputation of TSBE, and further enhance the global recognition of your qualifications. To find out more about AACSB click [here](#).