



## Course Outline

### INTERNATIONAL ECONOMICS (3.30315)

#### 1. GENERAL COURSE INFORMATION

##### 1.1 COURSE DETAILS

**Course Code:** 3.30315                      **Course:** International Economics  
**Coordinating Unit:** School of Business and Public Policy, Division of Economics

**Term:** Semester 1, 2016                      **Mode:** Internal  
**Level:** Undergraduate coursework  
**Location/s:** UPNG Main Campus  
**Units:** 3  
**Contact:** 4 hours + a week

**Assumed Knowledge:** Intermediate Microeconomics, Intermediate Macroeconomics

##### **Course Description:**

Ever since human civilisation first began, there has been trade, and where there is trade, there is usually money changing hands as well ('monetary flows'). In modern times, lines drawn on maps make much of global trade 'international'. However, the fundamental reason for wanting to trade remains the same as it has always done - differences in comparative advantage between those who engage in trade.

In International Economics, we seek to understand international trade and monetary economics, and how they combine to form a complex international economic system. Individuals, firms and governments must understand and interact with the international economy if they wish to excel in international business, domestic public policy, and economic development.

##### 1.2 COURSE STAFF

###### LECTURER-IN-CHARGE

Name: Mr. Michael Cornish  
Location: Room 1.12, SBPP Building  
Email: [michael.cornish@anu.edu.au](mailto:michael.cornish@anu.edu.au)  
Office hours: TBC, starting in the first week  
Website: [www.michaelcornish.org](http://www.michaelcornish.org)

##### 1.3 COURSE TIMETABLE

The course will be comprised of:

- 2 x 1hr lectures per week;
- 1 x 1hr tutorial per week (tutorials start in the second week);
- 1 x 1hr "Economics Inspired" session (these also start in the second week)

	<b>Day</b>	<b>Time</b>	<b>Room</b>
<b>Lectures</b>	Monday	1 – 2 pm	KD 127
	Friday	3 – 4 pm	SLT
<b>Tutorials</b>	Friday	1 – 2 pm	KD 225
	Friday	2 – 3 pm	KD 225
<b>Economics Inspired</b>	Friday	4 – 5 pm	MLT

You will be allocated a tutorial time in the first lecture of the course.

## 2. LEARNING OBJECTIVES

### 2.1 COURSE LEARNING OBJECTIVES

This course is designed for students to attain the following learning objectives:

- (1) To explain and describe current major issues and debates in the global economy
- (2) To understand the major international trade models, and how to apply those models
- (3) To analyse and describe significant policy options available to governments that can be applied to international trade, and to analyse and describe the expected effects of those policy choices
- (4) To develop analytical and critical thinking skills and use them to judge the appropriateness of international trade policy options
- (5) To understand the foundational concepts of international monetary policy, and the international flow of money between countries (especially foreign direct investment and international aid)
- (6) To develop research skills and skills in persuasive oral and written argument, including: data collection; interpretation by way of analytical commentary; demonstrated ability to support analysis through empirical evidence and draw critical conclusions, and; presentation skills
- (7) To develop teamwork skills through tutorial activities and assignments

### 2.2 UNIVERSITY GRADUATE ATTRIBUTE(S)

This course will provide students with an opportunity to develop the Graduate Attribute(s) specified below:

<b>UNIVERSITY GRADUATE ATTRIBUTE</b>	<b>COURSE LEARNING OBJECTIVE(S)</b>
Knowledge and understanding of the content and techniques of a chosen discipline at advanced levels that are internationally recognised.	(1), (2), (3), (4), (5)
The ability to locate, analyse, evaluate and synthesise information from a wide variety of sources in a planned and timely manner.	(3), (4), (6)
An ability to apply effective, creative and innovative solutions, both independently and cooperatively, to current and future problems.	(3), (4)

Skills of a high order in interpersonal understanding, teamwork and communication.	(7)
A proficiency in the appropriate use of contemporary technologies.	(6)
A commitment to continuous learning and the capacity to maintain intellectual curiosity throughout life.	(1), (2), (3), (4), (5)
A commitment to the highest standards of professional endeavour and the ability to take a leadership role in the community.	(3), (4), (6)
An awareness of ethical, social and cultural issues within a global context and their importance in the exercise of professional skills and responsibilities.	(1), (3), (4), (5)

### 3. LEARNING RESOURCES

#### 3.1 REQUIRED RESOURCES

Paul R. Krugman, Maurice Obstfeld & Marc J. Melitz, International Economics: Theory and Policy, Ninth Edition; whilst it would be very worthwhile having your own copy of the textbook, **the lecturer will also provide the required textbook readings.**

The relevant chapters from the textbook are highlighted in the course timetable above (see 4.2: *Learning Activities Summary*).

Additional required readings will be provided on the lecturer's personal website: [www.michaelcornish.org](http://www.michaelcornish.org) under the tab "International Economics".

#### 3.2 ONLINE LEARNING

The following material will be made available on the lecturer's website ([www.michaelcornish.org](http://www.michaelcornish.org)):

- Powerpoint slides used for each lecture
- Required readings
- Tutorial questions
- Assignments

### 4. TEACHING & LEARNING ACTIVITIES

#### 4.1 TEACHING & LEARNING MODES

The course will consist of two lectures, one tutorial, and one "Economics Inspired" session per week. The tutorials aim to encourage discussion on both the theoretical and real-world aspects of the material covered in the lectures and readings. The "Economics Inspired" sessions seek to expose the students to a broader set of contemporary global economic and social issues - to broaden student horizons and understanding of the world.

## 4.2 LEARNING ACTIVITIES SUMMARY

Week	Date	Lecture	Topic	Textbook Chapter
1	-----	1	Introduction	Chapter 1
		2	PNG in the Global Economy	Powerpoints
2	-----	3	International Political Economy	Chapter 2 + Powerpoints
		4	Recap: Analysing International Trade with the Demand and Supply Model	Powerpoints
3	-----	5	Trade Models I: The Ricardian Model	Chapter 3
		6	Trade Models II: The Specific Factors Model	Chapter 4
4	-----	7	Trade Models III: The Heckscher-Ohlin Model	Chapter 5
		8	Trade Models IV: The Standard Trade Model	Chapter 6
5	-----	9	Trade Theorems and Extensions	Chapters 3 to 7 + Powerpoints
		10	Trade Models V: External Economies of Scale + Modern Trade Models	Chapter 7 + Powerpoints
6	-----	11	Trade Models VI: Internal Economies of Scale	Chapter 8
		12	<b>Revision Lecture: Trade Models</b>	Chapters 3 to 7
7	-----	13	Trade Policy: The Tools	Chapters 10 & 11
		14	Trade Policy: The Developing World	Chapter 11
8	-----	15	Trade Policy: Challenges	Chapter 12
			<b>CLASS EXAM</b>	Will cover all material on trade models (Weeks 3 to 6)
9	-----	16	National Income Accounting and the Balance of Payments	Chapter 13
		17	The History of the International Monetary System	Chapter 19
10	-----	18	Foreign Investment	Powerpoints
		19	International Aid	Powerpoints
11	-----	20	Case Study: The European Union / The Global Financial Crisis	Chapter 20
		21	Case Study: Current challenges facing PNG in the international economy	Powerpoints
12	-----		<b>LECTURER ABSENT</b>	
13	-----	22	Case Study: The Australian experience	Powerpoints
		23	<b>Revision Lecture</b>	Chapters 1 to 13, 19 & 20

<b>5. ASSESSMENT</b>
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**5.1 ASSESSMENT SUMMARY**

The assessment scheme is:

Tutorial participation	5%
Tutorial hand-ins	15%
'Economics Inspired' attendance	5%
Class Exam	10%
Group Assignment	15%
Final Exam	50%

Tutorial participation will be assessed throughout the semester.

Tutorial hand-ins will be assessed every week, starting in Week 3 and finishing Week 13 (not including the week in which the lecturer is absent). All submissions will count towards your final mark.

'Economics Inspired' is a weekly video session that will cover a broad range of global economic and social issues. The aim of the sessions is to expand student knowledge and understanding of the world in which we live.

The class exam will be held in the second lecture of Week 8 and will cover all material related to trade models, namely, all material covered in Weeks 2 to 6.

The final exam will be held during the University final exam period and will be 3 hrs and 10 mins in duration – this includes 10 minutes reading time.

The due date for the Group Assignment will be announced after the Class Exam.

The identification of the learning objectives addressed by the assessment task:

Tutorial participation:	(1), (2), (3), (4), (5), (7)
Tutorial hand-ins:	(1), (2), (3), (4), (5), (6)
'Economics Inspired' participation:	(1), (3), (4), (5)
Class exam:	(1), (2), (3), (4), (5), (6)
Group Assignment:	(1), (2), (3), (4), (6), (7)
Final exam:	(1), (2), (3), (4), (5), (6)

**5.2 REQUIREMENTS**

Attendance at tutorials and 'Economics Inspired' sessions are strongly encouraged, and is required to receive marks in tutorial participation and 'Economics Inspired' participation.

**5.3 ASSESSMENT DETAIL**

Tutorial participation will include participation in group discussions and tutorial activities.

Tutorial hand-ins will be submitted weekly and will consist of a written answers to nominated questions identified the previous week. All submissions will be counted towards the final marks.

'Economics Inspired' participation will include attendance at the session and participation in the Q&A that will occur at the end of most sessions.

The Class Exam will focus on trade models, covering all the material in Weeks 2 to 6.

The Group Assignment will focus upon analysing the international trade policy in PNG. The full details of the assignment will be available after the class exam. **Students will be expected to work and submit in pairs or threes.**

#### **5.4 SUBMISSION**

Tutorial hand-ins are to be submitted every week at the beginning of tutorials, and will be marked and returned in the tutorial in the week following their submission.

Late submissions of tutorial hand-ins will not be marked.

The assignment is to be submitted in hard copy; the due date and time will be announced during the semester.

Penalty for late submission of assignments will be a 10% deduction of marks for each partial or full 24 hour period after the due date and time. Assignment marks will be posted on the Economics notice board as soon as they are available.

Extensions may be given on medical or compassionate grounds, at the discretion of the lecturer.

**Good luck with the course!**