Unit Outline*

ECON7503

Topics in Economic Analysis

Semester 1, 2011
Campus: Crawley

Unit Coordinator
Winthrop Professor Peter Robertson

Business School
www.business.uwa.edu.au

* This Unit Outline should be read in conjunction with the Business School Unit Outline Supplement available on the Students web site http://www.business.uwa.edu.au/students
UNIT DESCRIPTION

Introduction

This is a course in the theory of international trade for students in the Master of Economics Programme, M.Ec and for Honours Students in Economics. It is intended to give students an overview of the fields focusing on, economic models of trade and development and an introduction to endogenous growth models. The focus is on models that can be used for developing policy insights, particularly into issues such as the relationship between trade and growth, the effects of migration, external shocks and resource booms, economies of scale and productivity growth, technological progress and the terms of trade, strategic trade theory and new trade empirics. In the course you will also learn how to develop your own computable general equilibrium model and experiment with different policy experiments.

The course will thus entail a high degree of analytical rigor as well as exploring how trade theory can inform us on contemporary policy issues. By the end of this course, you should be able to use relatively sophisticated models of international trade to understand complex issues relating to international trade, development and growth. Students will learn how to interpret these models and will have practice at using the models to solve various economic problems. After completing the course students will be able to understand results produced by professional economists using sophisticated economic models.

The Goal of the unit

By the end of this course, students should be able to use relatively sophisticated models of international trade to understand complex issues relating to international trade. They will learn how to interpret these models and will have practice at using the models to solve various economic problems. After completing the course students should be able to understand results produced by professional economists using sophisticated economic models. Students will also be prepared for graduate courses in International Trade.

Learning outcomes

The major issues and models for a section are introduced in lectures and class assignments. The class assignments in particular give students the opportunity to practice using economic models on their own. This is critical as the economy is fluid and new economic problems are always emerging. The Learning objectives include practice at extending models presented in lectures to novel situations, to encourage a deep understanding of the economic techniques used in lectures.

Educational principles and graduate attributes

In this unit, you will be provided with the opportunity to

- use models to help solve real economic problems;
- practice numerical and mathematical techniques for problem solving;
- develop familiarity with the elements of real world economic policy models, and;
- develop a deep understanding of economic concepts particularly relating to trade and growth issues.
TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies
The course involves learning by doing. You will be given regular assignments based on using in class theoretical material. You will learn by doing these assignments and these assignments will be the basis for exam questions. The in class experience from interaction with the lecturer and revision of assignments is a critical element of the course. You will also learn to use computer models of the economy and also read articles in economics journals.

Teaching and learning evaluation
You may be asked to complete two evaluations during this unit. The Student Perception of Teaching (SPOT) and the Students’ Unit Reflective Feedback (SURF). The SPOT is optional and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university wide survey and deals only with the unit. You will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.

Attendance, workload and responsibilities
Participation in class, whether it be listening to a lecture or getting involved in other activities, PARTICULARLY THE HOMEWORK ASSIGNMENTS. It is therefore important that you attend classes. More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminars and tutorials’.

It is expected that you will spend 8-10 hours per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater.

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class.

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information.
CONTACT DETAILS

We strongly advise students to regularly access their student email accounts. Important information regarding the unit is often communicated by email and will not be automatically forwarded to private email addresses.

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<th>Unit coordinator/lecturer</th>
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<td><strong>Name:</strong></td>
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<td><strong>Email:</strong></td>
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<td><strong>Phone:</strong></td>
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<tr>
<td><strong>Consultation hours:</strong></td>
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<td><strong>Lecture venue and times:</strong></td>
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<td><strong>Lecture times:</strong></td>
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TEXTBOOK(S) & RESOURCES

Unit Website

For a large fraction of this course I will be providing course notes. I will not be using Lectopia. You are expected to attend every lecture and tutorial and participate in these activities. Each week will be going thorough home work assignments which you should prepare in advance.

There is no required textbook however the following texts are useful.

- Mikic, M., International Trade, Macmillan (Intermediate)
- Dixit and Norman, Theory of International Trade, Cambridge University Press(Advanced)

Other reading material is listed in the course outline and specify readings will be assigned in lectures.
UNIT SCHEDULE

Note that the following list is a general guide. The depth and inclusion of topics will vary according to student and instructor interests. Note that there are more weeks than topics.

1. **Trade in the Ricardian Model**  
   Mikic Chapter I, MMKM chap. 7

2. **The Dornbusch-Fischer-Samuelson Model**  

3. **Terms of Trade Shocks and Applied CGE Models**  
   References to be advised.

4. **Trade and Factor Differences; The H-O Model**  
   MMKM chap. 8, 9, Feenstra Chapter 2.

5. **Duality Theory and The Gains from Trade**  
   Feenstra Chapter 1, MMKM chap. 2, 4  
   Ethier Appendix A1-A2

6. **Case Study: The Trade-Wages debate**  

7. **Trade and Growth in the Dornbusch-Fischer-Samuelson Model**  

8. **Knowledge, Trade and Growth**  

9. **Trade Empirics: The Gravity Model.**  

10. **Strategic Trade Theory**  
The purpose of assessment

5.1 Formal Requirements

In order to pass this course, you must:
- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).

5.2 Assessment Details

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<tr>
<td>Final Exam</td>
<td>TBA</td>
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<tr>
<td>Midterm Exam</td>
<td>WEEK 8</td>
<td>30%</td>
</tr>
<tr>
<td>Take Home Exams</td>
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<td>20%</td>
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Note 1: Results may be subject to scaling and standardisation under faculty policy and are not necessarily the sum of the component parts.

Note 2: The grade FC indicates failure to complete an identified essential assessment component and means failure of the unit.

Note 3: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning outcomes as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the unit.

Student Guild

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Facsimile: (+61 8) 6488 1041
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Website: http://www.guild.uwa.edu.au

Charter of Student Rights and Responsibilities


Appeals against academic assessment

The University provides the opportunity for students to lodge an appeal against assessment results and/or progress status (refer http://www.secretariat.uwa.edu.au/home/policies/appeals).