



Level 5 Diploma in Business Economics (870) 139 Credits



Unit: International Trade & Policy	Guided Learning Hours: 200
Exam Paper No.: 3	Number of Credits: 20
Prerequisites: Knowledge of accounting and business terminology.	Corequisites: A pass or higher in Certificate in Business Studies or equivalence.
<p>Aim: This unit covers research in international trade theory including topics of imperfect competition, firm heterogeneity, trade policies, trade liberalisation, gains from trade, outsourcing, political economy and endogenous growth; with the aim of bringing learners to the forefront of international trade through gained knowledge. The aim is that learners will be able to: identify and explain motivations for trade, effects of trade policy and trade liberalisations and distributional consequences of trade; explain central mechanisms in the covered trade models; compare, contrast and relate different trade models to each other; apply the analytical tools/models of the course in an independent analysis of a specific problem within the topics covered; reflect on the importance of assumptions and model structure for model results, and to evaluate how this affects the generality and applicability of the results; reflect on the consequences of adding new features to known trade models.</p>	
Required Materials: Recommended Learning Resources.	Supplementary Materials: Lecture notes and tutor extra reading recommendations.
Special Requirements: The unit requires a combination of lectures, demonstrations and discussions.	
<p>Intended Learning Outcomes:</p> <p>1 The effects of international economic activities in producing resources and consumer preferences.</p> <p>2 The patterns and consequences of transactions and interactions between the inhabitants of different countries, including trade, investment and migration.</p> <p>3 The relationship between international trade and economic growth calculations; rules of trade between nations.</p>	<p>Assessment Criteria:</p> <p>1.1 Explain international trade, international investment and international migration</p> <p>1.2 Analyse the global economy, policies and issues</p> <p>1.3 Describe trade flows, capital flows and the balance of payments</p> <p>1.4 Outline international production, finance and development</p> <p>2.1 Describe the economic circular flow diagram</p> <p>2.2 Analyse the factor proportions model and approach of comparative advantage</p> <p>2.3 Describe the different types of regional and multilateral trade agreements</p> <p>2.4 Describe aggregate production and the flow of income</p> <p>2.5 Explain the absolute advantage theory</p> <p>2.6 Describe the general equilibrium model of international trade</p> <p>2.7 Identify the welfare gains from exchange measurements</p> <p>2.8 Compare and contrast inter-industry vs intra-industry trade</p> <p>3.1 Demonstrate the Solow growth model</p> <p>3.2 Describe international trade regulations and their effects</p> <p>3.3 Describe policy coordination, monetary union and target zones</p> <p>3.4 Explain the politics of international trade</p> <p>3.5 Describe tariff economics</p> <p>3.6 Outline how government regulators safeguard the interests of consumers</p> <p>3.7 Explain the causes of clashes between domestic and international policymakers</p>

<p>4 The collection of rules and regulations which pertain to trade, the purpose of trade policy and issues associated with trade policies.</p>	<p>4.1 Define trade policy 4.2 Explain the functions of the World Trade Organisations (WTO) 4.3 Explain discriminatory issues in trade policies 4.4 Describe the purpose of regulating international trade 4.5 Explain advantages and disadvantages of innovation 4.6 Describe the effect of taxes 4.7 Explain advantages and disadvantages of trade barriers</p>
<p>5 Understand how the financial centres around the world function as anchors of trading between a wide range of different types of buyers and sellers around the clock, with the exception of weekends.</p>	<p>5.1 What are functions of the Central Bank 5.2 Explain the foreign exchange trading markets 5.3 Describe the history of the exchange rate system 5.4 Analyse foreign exchange transaction process 5.5 Demonstrate the effects of exchange rate variations 5.6 Describe a country's balance of payments and what it measures 5.7 Compare and contrast floating vs fixed exchange rates 5.8 Describe Purchasing Power Parity (PPP) 5.9 Demonstrate interest yields, interest rate risk and derivative securities</p>
<p>6. Understand how economic, political and social issues determine international trade policies, rules, regulations and negotiation process.</p>	<p>6.1 Describe General Agreement on Tariffs & Trade (GATT) framework 6.2 Define trade protectionism 6.3 Describe domestic and foreign allocated quotes 6.4 Analyse regional trade agreements and their effects 6.5 Compare and contrast price discrimination vs dumping</p>
<p>7. Understand the importance of international investment, growth enhancement strategies, sustainable development and its implementation.</p>	<p>7.1 Define international investment 7.2 Explain advantages and disadvantages of international investment 7.3 Explain reasons why companies operate in many countries 7.4 Explain advantages and disadvantages of international competition 7.5 Analyse the effects of exchange rates on international investors</p>
<p>Methods of Evaluation: A 2½-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in International Trade & Policy with a weighting of 100%.</p>	

Recommended Learning Resources: International Trade & Policy

Text Books	<ul style="list-style-type: none"> • The Politics of International Trade in the 21st Century: by Dominic Kelly and Wyn Grant. ISBN-10: 1403904847 • Handbook on International Trade Policy by William A. Kerr, James D Gaisford and James D. Gaisford. ISBN-10: 1848443129 • International Trade Theory and Policy (Paperback) by Giancarlo Gandolfo. ISBN-10: 3540643168
Study Manuals	BCE produced study packs

	
CD ROM 	Power-point slides
Software 	None

Business & Computing Examinations (BCE)