BS3337 – INTERNATIONAL BUSINESS ECONOMICS

Module Number: BS3337

Module Title: International Business Economics

Number of Aston Credits: 10

Total Number of ECTS Credits: 5
(European Credit Transfer)

Staff Member Responsible for the Module:

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Economics & Strategy Group

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Availability: Office hour appointments can be booked using the online booking system: https://wass.aston.ac.uk/wass/pages/login.page.php Please just search for my name. Appointments are limited to 10 minutes, if there is space available this can be extended. I would highly encourage students to come in groups if they wish.

Pre-Requisite(s) for the Module:

BS1102 Economic Environment of Business, or
BS1163 Introduction to Microeconomics, and
BS1164 Introduction to Macroeconomics

Module Learning Outcomes:

Upon successful completion of the module students will be able to:

- Identify and explain the factors that drive patterns of international trade, foreign direct investment and the mobility of labour.
- Critically analyse and distinguish between the models that drive these patterns.
- Identify and explain various policy issues and tools concerning the international economy that impact upon business.
- Analyse the different assumptions that lay behind these policy tools.
- Develop the ability to undertake wider reading relevant to various topics. And to be able to synthesise and integrate this wider reading with the designated reading outlined by the lecturer.
- Synthesise the political arguments that impact upon much of the material studied.

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Module Content:

Week 14: Introduction & the Ricardian Model:

Trends in International Goods & Services Trade, How we model international trade: (1) Ricardo's Theory of Comparative Advantage.

Week 15: Theories of International Trade Continued

Other explanations of international trade: (2) The Heckscher-Ohlin Model; (3) The Monopolistic Competition Model (Krugman - New Trade Theory).

Week 16: Trade Policy 1

Small vs. Large Open Economies, Import Tariffs and Import Quotas.

Week 17: Trade Policy 2

Export Subsidies, Export Taxes, Other Trade Policy, Political Economy of Trade Policy, Dumping, The WTO, Contoversies in Trade Policy.

Week 18: Economic Integration

Levels of Integration, Customs Union, Trade Creation and Trade Diversion.

Week 19: International Factor Mobility 1: Multinational Enterprises & FDI
(Guest Lecturer TBC)

Dunning's Eclectic Paradigm
FDI & Development

Week 20: International Factor Mobility 2: Migration

Specific Factors Model, Welfare Effects: Who gains and loses from migration?.

Week 21: The Exchange Rate

Modeling the Exchange Rate in the Short Run and Long Run: Purchasing Power Parity (PPP), Uncovered Interest Parity (UIP), Exchange Rate Forecasting, Fixed and Floating Exchange Rate Regimes.

Week 22: Monetary Union

EMU, Costs & Benefits of Monetary Union, Asymmetric Shocks, Case Study: Eurozone crisis.

Week 23: Module review and revision.

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International Dimensions:

The entire module is international in nature, with a focus on the international economic environment and its implications for business.

Corporate Connections:

Currently there are no direct corporate links in the module. However, there are company and industry illustrations given in both lectures and classes.

Links to Research

Various parts of the course, particularly the lectures on trade policy will link in with the modules research on the political economy of trade policy.

Learning and Teaching Rationale and Methods

Ten one hour lectures, (weeks 14-23), and ten weekly seminars (weeks 15-24).

Lectures provide an introduction to the relevant models and theories including their critical appraisal. The seminars are used to cover the most difficult aspects of the course and apply theory to practice. Students are required to prepare for the seminars by either working on a series of exercises or preparing for a class discussion. Attendance at tutorials is essential for succsess in the summer exam and the mid-term class test.

How are the 100 Learning Hours per Module Achieved?

Contact hours	20 hours
Directed learning	20 hours
Private study and reading	57 hours
Midterm Class Test (25%)	1 hour
Examination (75%)	2 hours
Total	100 hours

Ethical Approval:

This module does not require any primary research and accordingly no ethical approval will be necessary.

Assessment and Feedback Rationale and Methods

The two hour examination is designed to assess the learning outcomes above with a particular emphasis on the students' ability to critically analyse the models used to explain various phenomenon in International Business Economics.

The mid-term class test is also designed to do this but will focus more on an understanding of the more difficult theoretical tools used at the beginning of the

course. The results from the test will be used to provide written feedback to students on their work in order for them to prepare for the two hour summer exam.