



**BUSINESS SCHOOL**  
Te Kura Pakihi

**ECON 206 (18 points)**  
**The World Economy**  
**Semester 2, 2022**

## **COURSE OUTLINE**

**This outline is prepared for face-to-face teaching conditions. Any necessary adjustments due to Coronavirus COVID-19 will be announced at Blackboard.**

**For all University of Otago information and updates regarding Coronavirus COVID-19, please refer to the Covid-19 webpage found at:  
<https://www.otago.ac.nz/coronavirus/index.html>**

### **Disclaimer**

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**While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.**

**Kindly note that there may be situations of disorder caused by factors external to us, but we (staff and students) are in it together and we have to make the best out of it.**

## Paper Description and Aims

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ECON 206 applies the economic theory you covered in BSNS113 and ECON112 to issues affecting the world economy, and some new models will also be introduced. We will examine the ideas and institutions that formed the world economy and explore major current issues affecting the world economy. Topics are arranged into two main sections: (A) International monetary relations and (B) International trade relations.

Section (A) highlights implications of a country's choice of foreign exchange regime; currency crises and issues surrounding optimal currency areas.

Section (B) covers sources of comparative advantage, arguments for and against free trade, multilateral versus regional trading arrangements and the importance of trade to New Zealand.

Within each section, the relevant core macroeconomic theories are also reviewed and discussed.

## Learning Outcomes

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Upon successful completion of this paper, you should have a general understanding of the international monetary system and international trade relations. You should have developed an appreciation of how micro and macroeconomic principles and theory can be used to evaluate behaviour and interactions in our world of growing economic integration. You should be able to analyse current issues and policy debates in this area, and to assess and critique international monetary and trade policies.

The assessments will test whether you can do the above-mentioned things and **not** just whether you have memorised what was said in lectures. It is in tutorials that you will hone these skills, so you should consider attendance at tutorials to be as important as attending lectures, if not more so.

## Lecturers and lecture/tutorial times

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**Arlene Ozanne (Course coordinator)** (Topics 1-6)

Office: Rm 625 Otago Business School

Email: arlene.ozanne@otago.ac.nz

Office Hours: Tuesdays and Fridays: 1:30-2:30, or email for an appointment

**Aleisha Lord** (Topics 7-9)

Office: Otago Business School (Please ask at the 6<sup>th</sup> floor Reception)

Email: aleisha.lord@otago.ac.nz

Office Hours: To be confirmed

Before sending any email, check the course outline and Blackboard. *We will not answer emails for which the answer might be found by having attended lectures and tutorials, and/or by referring to the course outline and/or Blackboard.* Include "Econ 206" in the subject line to facilitate this process.

**Lectures** present the key conceptual material and are supported by readings. Lecture slides are posted on *Blackboard*, but they do not represent a complete set of notes. Therefore, attending lectures and doing the recommended reading is essential for a proper understanding of the material.

### ***Lecture Recordings***

We believe strongly in the importance of attending lectures and tutorials to maximise your engagement with the course content. Attending lectures and tutorials is important — it allows you to work with your peers and provides the opportunity to develop discussion of key elements of the subject. However, we recognise that illness, Covid and other significant unforeseen events do occur. We also appreciate that some students benefit from having the recordings to review again later in their own study time. **For these reasons, lecture recordings will be released at the end of the week (Friday 5pm), and accessible on Blackboard from that point onward.**

**Tutorials** are meant to be more participatory, collaborative sessions in which you cement and extend your understanding of the concepts presented at lectures in a supportive environment. Model answers to the tutorial exercises are **not** provided. One reason for this is that providing model answers would create a disincentive to participate fully in tutorials. To ensure that all exercises are covered in the time available, it's essential to prepare your answers before class and be prepared to discuss them in class. If you miss a tutorial, try to attend another tutorial group for that week. If that is not possible, have a go at doing the questions and come and discuss them with the lecturer.

Tutorials will be held every second week, starting in the **third** week of the semester. Thus, tutorials (six in total) will be held on the weeks **beginning**:

- 25 July
- 8 August
- 22 August
- 12 September
- 26 September
- 3 October (note this will be held in week 12 of the semester)

Tutorial questions will be posted on Blackboard the week prior to the scheduled tutorial. Please prepare for tutorials before going to them. ***Tutorials are not recorded.***

## **Course Materials and Texts**

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Text: Husted, S. and Melvin, M. (2013) *International Economics (International Edition)*, 9<sup>th</sup> ed., Pearson, Boston.

The references in the course will be based on the 9th edition, but you may also use earlier editions of (a copy of the 8th edition is available on Reserve at the Central Library). However, it's your responsibility to confirm the corresponding page numbers in the other editions of the text.

In addition, if you would like one, a useful supplementary textbook is: Carbaugh, R. (2017) *International Economics*, 16th ed, Cengage.

Copies of Husted and Melvin (2013) and Carbaugh (2017) are available on Reserve at the Central Library. All the supplementary readings are available on Blackboard.

## Assessment

All material presented is examinable (except where stated otherwise) by quizzes and tests. All important assessment information such as dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard, **especially changes due to Covid-19. Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.**

**There will be no final exam for this course.**

Your learning will be assessed through the following:

Assessment	Weight*
Online quizzes (9 out of 10)	10%
Tests (×3)	90%

**\* Some plussage may apply in case a student is unable to sit a test for University approved reasons. Refer to details in the section “What happens if I miss a test?”.**

### Online Quizzes (10%)

There will be 10 weekly online quizzes (the first of which will be in week 2 of lectures). Beginning on Monday, 18 July at 12 noon, a quiz will be posted on Blackboard (under “Quizzes”). You will submit your answers on Blackboard, and your grades are posted to the Grade Centre. You are welcome to work with your classmates, but you must submit your answers individually until 11:59am on the following Monday, and the next quiz will be posted at 12 noon.

Extensions will not be given. You have a full week to complete each quiz and these can be completed from anywhere there is internet access.

**Only your best 9 out of the 10 quizzes will count towards your final mark.**

### Tests (90%)

There will be three tests, scheduled as follows:

Test	Material covered (Lectures, tutorials and readings)	Date
Test 1	Weeks 1-4	3pm Thursday, 18 August
Test 2	Weeks 5-8	3pm Monday, 19 September
Test 3	Weeks 9-11	3pm Wednesday, 12 October

Detailed instructions will be provided closer to the first test date. Note it is not possible to sit the test at any other time. *In case Covid-19 related issues arise that would prevent the tests being held as scheduled above, alternative arrangements will be conveyed to students as needed.*

**Your tests will be weighted\* as follows:**

- Highest-scoring test: 35%
- 2<sup>nd</sup> best-scoring test: 30%
- Lowest-scoring test: 25%

**\* Note that the weighting on the tests may change in case a student is unable to sit a test for University approved reasons (details below).**

*What happens if I miss a test?*

Students who miss a test for **University approved reasons** (essentially, in the event of illness or family emergency) can have the weight transferred to their other tests and/or a special assignment. The exact nature of this arrangement will be decided on a case-by-case basis and will be relayed to the student accordingly.

**Having to submit multiple assessments on or around the test date, travel plans, or work pressure are typically not considered valid reasons. Supporting documentation must be provided.**

In any other circumstances, students who miss a test will receive a score of **zero**. No make-up test will be provided.

## **Academic Integrity and Academic Misconduct (Plagiarism)**

**Students should ensure that all submitted work is their own.** Plagiarism is a form of dishonest practice (cheating). It is defined as copying or paraphrasing another's work and presenting it as your own. Any student found responsible for dishonest practice in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about University policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, or the Student Learning Centre. The guideline for students is available at this link: <http://www.otago.ac.nz/study/plagiarism/>

The Library resource on ethical use of information is available via this link: <http://oil.otago.ac.nz/oil/module8.html>

## Workload (yours!) Expectations (ours!)

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Note that this is an 18-point semester paper. Under the University's points conventions, an 18-point paper corresponds approximately to an average workload of 12 hours per week (including contact hours), or roughly 180 hours in total over a 15-week period (including the end-of-semester exam period).

## Course Outline/Lecture Programme

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This paper discusses the ideas and institutions that formed the world economy and explores major current issues in the world economy. The topics covered include major developments in the international monetary system (including the gold standard, Bretton Woods and the euro); implications of the global capital market and currency crises; mercantilism versus economic liberalism; the GATT, the WTO and the liberalisation of international trade. The costs and benefits of globalisation, especially from the perspective of developing countries, will also be covered.

The course is separated into two main sections

### Section A – International Monetary Relations (weeks 1 – 6)

Topic 1: Introduction and International Monetary Arrangements

Topic 2: Currency crises

Topic 3: Increasing the credibility of fixed exchange rates

Topic 4: Single Currency Areas

### Section B – International Trade Relations (weeks 7 – 12)

Topic 5: Why is globalisation important?

Topic 6: Sources of Comparative Advantage

Topic 7: Gains from Free Trade and Tariffs

Topic 8: Nontariff barriers and arguments for protection

Topic 9: Regional Trading Arrangements and NZ's trading relations

Note: While lectures and tutorials will end on week 12, the 3<sup>rd</sup> test will be held on week 13.

## Student Learning Support and Information

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### *Student Charter*

[www.otago.ac.nz/about/otago005275.html](http://www.otago.ac.nz/about/otago005275.html)

### *Guidelines for Learning at Otago*

<http://hedc.otago.ac.nz/hedc/wp-content/uploads/2012/12/Guidelines-for-Learning.pdf>

<http://hedc.otago.ac.nz/hedc/learning/>

### *Student Learning Centre*

The Student Learning Centre, which is part of the Higher Education Development Centre, provides learning support, free of charge, to ALL enrolled students. The Centre also provides two very

helpful study guides, “Guidelines for Writing and Editing” and “Writing University Assignments” and these are available on the SLC website. <http://hedc.otago.ac.nz/hedc/learning/>

### ***Library Support***

The Library website <http://www.otago.ac.nz/library> provides access to resources and services, including group room bookings, library hours and locations, past exam papers, subject guides, article databases and more.

If you need assistance either check out the self-help guides <http://otago.libguides.com/selfhelp>, or ask Library staff at the ground floor service desks, or email [ask.library@otago.ac.nz](mailto:ask.library@otago.ac.nz)

### ***Kaiāwhina – Māori Student Support***

Ko Te Atua o Taiehu te Mauka, Ko Ōtākou te Tai, Ko Ōtākou te Marae, Ko Kai Tahu , Taranaki ka iwi. Ko Taikawa Brett Taiaroa Karetai Tamati-Elliffe ahau.

Papaki kau ana ngā tai o mihi, ko Taikawa ahau. He wheako ōku kia poipoi, akiaki ia koutou nga tauira o Te Kura Pākihi.

Taikawa Tamati-Elliffe (Kai Tahu, Taranaki) is the Kaiāwhina Māori (Māori student support) for Te Kura Pākihi (Business School). He can help with questions about your academic studies as well as providing information on scholarships, pastoral, financial and other campus services. Taikawa also offers support to those studying away from their whanau, hapū and iwi, to feel safe and supported.

Tel: 03 479 5342

Email: [kaiarahi.obs@otago.ac.nz](mailto:kaiarahi.obs@otago.ac.nz) | [taikawa.tamati-elliffe@otago.ac.nz](mailto:taikawa.tamati-elliffe@otago.ac.nz)

### ***OBS Pacific Student Support Facilitator (Part-time)***

Mary Jane’s role is to **liaise with** Academic Departments and Student Services relating to Pacific students and their course of study. Mary Jane is based in the Pacifica room on the **OBS Ground Floor**. As she works part time, it is best to email her to make an appointment.

Email: [mary-jane.kivalu@otago.ac.nz](mailto:mary-jane.kivalu@otago.ac.nz)

### ***Disability Information and Support***

Students are encouraged to seek support if they are having difficulty with their studies due to disability, temporary or permanent impairment, injury or chronic illness. It is important to seek help early, through one of the contacts below:

[disabilities@otago.ac.nz](mailto:disabilities@otago.ac.nz) or ph. 03 479 8235

Janet Bryant OBS room 601a, phone: 03 479 -8656, Email: [janet.bryant@otago.ac.nz](mailto:janet.bryant@otago.ac.nz)

## **Student Feedback**

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We encourage your feedback. This can be in the form of contacting staff, participating in course evaluation surveys and communicating with class representatives. Continual improvements will be made to this course based in part on student feedback.

### ***Class Representatives***

The class (or student) rep system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the

teaching and delivery of the paper and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to the development of a sense of community within a department and it adds a further dimension to the range of support services offered to students.

Volunteers for the role of class reps will be called early in the semester. The OUSA invites all class reps to a training session, conducted by OUSA, about what it means to be a class rep and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class reps during the semester. Departmental staff will also meet with class reps during the semester to discuss general issues or matters they wish to have considered.

Your class rep's name and contact details will be posted on *Blackboard* early in the semester.

### ***Concerns about the Course***

We hope you will feel comfortable coming to talk to us if you have a concern about the course. The Course Coordinator (Arlene) will be happy to discuss any concerns you may have. Alternatively, you can report your concerns to the Class Representatives who will follow up with departmental staff. If, after making approaches via these channels, you do not feel that your concerns have been addressed, there are University channels that may aid resolution. For further advice or more information on these, contact the departmental administrator or head of department.

## **Student Webmail**

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**It is important that you check your student email regularly or have your student emails forwarded to another email address. To do this, copy and paste the below link.**

[https://www.otago.ac.nz/\\_assets/askotago/documents/2035-Forwarding\\_StudentMail\\_to\\_other\\_email\\_address.pdf](https://www.otago.ac.nz/_assets/askotago/documents/2035-Forwarding_StudentMail_to_other_email_address.pdf)

## **Reminder**

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***We hope you enjoy this course.  
We intend to!  
Cheers, Arlene and Aleisha 😊***

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