

SYLLABUS

I. GENERAL DATA ON SUBJECT COURSE	
CODE AND NAME OF SUBJECT (in Estonian and English)	AM.022 Rahvusvaheline majandus International Economics
ACADEMIC YEAR, TERM	2018/2019, spring term
CURRICULUM, SPECIALITY AND MODULE WHERE THE SUBJECT BELONGS TO	Aviation Management
VOLUME OF SUBJECT (ECTS)	3,0 ECTS
FORM OF CONTROL	Non-differentiated assessment
WORKLOAD AND FORMAT OF STUDIE	Contact hours –19; e-learning– 20, independent work – 39;
LANGUAGE OF INSTRUCTION	English
ADDITIONAL INFORMATION (PREREQUISITE SUBJECT COURSES, RESTRICTIONS)	-
LECTURER	Tiiu Ohvril

II. GOAL OF SUBJECT, LEARNING OUTCOMES AND SHORT DESCRIPTION OF THE COURSE	
GOAL OF SUBJECT COURSE	The aim of the current course is to spread knowledge about the theory of international economics (trade theories, trade policy) and to teach how to connect trade theory with the practice of trade in a concrete country and on international scale.
LEARNING OUTCOMES	<ol style="list-style-type: none"> 1. Describes development specifics of world economy, gives examples of historic and spatial development of different characteristics, knows factors of specialization in the world economy and estimates the impact of specialization on the development of a concrete country. 2. Defines theories of international trade (mercantilism, classical theories, alternative theories and strategic theories), describes their differences explains the reasons behind appearance of different theories and their strong and weak points. 3. Proves (solving exercises with given conditions) the benefits of international trade. 4. Is aware of basic arguments of trade policy restrictions and knows their critics, differentiates between tariff and non-tariff protection measures and explains their nature, also is aware of the trade restrictions impact on the countries of different size. 5. Explains theoretically the influence of tariff and quota restrictions on different stakeholder groups in a SOE, and the specifics of tariff in a big country. 6. Describes the historic development of world organizations of international trade, the basic principles implemented and the nature of exemptions.

	7. Is able to generalize the problems of international trade in the modern world.
SUBJECT COURSE DESCRIPTION	<p>Definition of world economy, specialization and world market. Tendencies and laws of development. Poverty and the problem of defining the level of economic development. Human development index. Globalization and different cultural regions in the modern world.</p> <p>Mercantilism. Theories of absolute advantage, relative advantage, production factors, alternative theories of international trade, strategic theories. Porter's theory of competitive advantage of nations.</p> <p>Justification of trade protection. Tariff as international trade restriction: definition, classifications. Influence of tariff in the SOE. Optimal tariff. Nominal and effective tariff protection. Non-tariff barriers. Import quota as a non-tariff mean. Export subsidies. Dumping.</p> <p>Discrimination of international trade: MFN regime, areas of free trade, customs unions, economic union. Organizations of international trade: GATT (WTO), NAFTA, EFTA, EU etc.</p>

III. GRADING SYSTEMS AND CRITERIA

PREREQUISITES TO BE ALLOWED TO TAKE EXAMINATION/PRELIMINARY EXAMINATION	Attending contact hours (lectures and seminars); working with e-learning materials and preparing 2 seminar presentations
FORMATION OF EXAMINATION MARK/OF PRELIMINARY EXAM	Seminar presentations and tests (altogether 5 tests)
OPPORTUNITIES FOR SETTLING ARREARS/INSUFFICIENCIES IN ACADEMIC PROGRESS	Oral prelim at the end of semester covering the topics of learning outcomes
GRADING SYSTEM	RESPECTIVE MARKING CRITERIA

IV. SCHEDULE AND LIST OF TOPICS

WEEK OF YEAR	WORK FORMAT	TOPICS
	Lecture/ seminar	Definition of world economy, specialization and world market. Tendencies and laws of development. Brainstorming on the topic of Estonian specialization in the world economy.
	E-learning	Poverty and the problem of defining the level of economic development. Human development index. Test no 1.
	E-learning	Globalization and different cultural regions in the modern world. The means of overcoming the development problems in the modern world. Test no 2.
	Lecture/ seminar	Mercantilism. Theories of absolute advantage, relative advantage. Exercises for proving the benefits from international trade.
	Lecture/ seminar	Production factors, alternative theories of international trade, strategic theories. Porter's theory of competitive advantage of nations. Brainstorming: comprising a table of classic trade theories.
	E-learning	Justification of trade protection. Tariff as international trade restriction: definition, classifications. Test no 3.
	E-learning	Non-tariff barriers. Import quota as a non-tariff mean. Export subsidies. State trading Enterprises. Dumping and WTO. Test no 4

	Lecture/ seminar	Tariff in SOE. Nominal and effective tariff protection. Import quota in SOE. Brainstorming: comparison of the influence of tariff and quota. Multilateral trade regulations (buffer systems, regulation of supply).
	E-learning	Discrimination of international trade: MFN regime, areas of free trade, customs unions, economic union. Organizations of international trade: GATT (WTO), NAFTA, EFTA, EU etc. Test no 5
	Lecture / seminar	EU in the world – international trade, role in the international organizations. Current problems.

V. LEARNING MATERIALS

Compulsory materials:

Materials made available in the Moodle

Additional materials recommended:

Paul R. Krugman; Maurice Obstfeld; Marc J. Melitz. International Economics. Theory and Policy. 10th edition. PEARSON, global edition