



**LUND**  
UNIVERSITY

School of Economics and Management

## **SASE31, Economics: International Economics, 7.5 credits** *Nationalekonomi: Internationell ekonomi, 7,5 högskolepoäng* First Cycle / Grundnivå

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### **Details of approval**

The syllabus was approved by The Board of the Department of Economics on 2015-05-05 to be valid from 2015-05-05, autumn semester 2015.

### **General Information**

This is an introductory course in economics. The course is open for incoming exchange students and Study Abroad students

*Language of instruction:* English

*Main field of studies*

Economics

*Depth of study relative to the degree requirements*

G1F, First cycle, has less than 60 credits in first-cycle course/s as entry requirements

### **Learning outcomes**

#### **Knowledge and understanding**

Students shall:

- be able to explain and illustrate the principle of comparative advantage and describe empirical evidence of how trade occurs due to relative productivities within different industries,
- be able to explain how differences in the relative supply of production factors give rise to trade, and be able to analyse the arguments for free trade in spite of the fact that trade, through its effects on commodity and factor prices, creates both winners and losers,
- understand how a combination of supply and demand determines trade patterns, the relationship between import and export prices and furthermore how changes in terms-of-trade affect welfare due to growth, transfers, tariffs and export subsidies,

- be able to describe the role that different types of economies of scale play as an ever more important source of trade, and how industry-specific production technology affects trade patterns between countries,
- be able to describe the differences between inter-industry trade and intra-industry trade and to understand what drives them and gives rise to their profits,
- be able to explain how trade growth can benefit from international negotiations and agreements,
- be able to describe the historic role that import limitations and export-promoting policies have played for the developing countries' strategy for economic growth,
- understand how conflicts can arise between national interests and the application of common rules.

### **Competence and skills**

Students shall have the ability to independently:

- analyse why and how international trade affects the economy at large,
- analyse how economies of scale, the choice of market system, product differentiation, and industry-specific production technology affect the trade between nations,
- use trade data to calculate simple measures of inter-industry and intra-industry trade,
- analyse the causes and effects of capital and labour mobility between countries, and to understand the motivation behind the creation of multinational corporations,
- estimate costs and profits of tariffs and other kinds of trade barriers in countries of different sizes and furthermore evaluate and identify welfare effects for a nation as a whole and for different groups of society,
- be able to evaluate the gains and losses caused by preferential treatment and regional integration,
- evaluate arguments for and against a departure from pure free trade that has been used as a strategy for industrial development by both developing and industrialised countries,
- give an account of and discuss their abilities in international economics,
- discuss the arguments for and against deviations from free trade policy that have been used by developing and industrialised countries as a strategy for industrial development,
- discuss the role of the World Trade Organisation (WTO) as a forum for changing multilateral agreements and to discuss how conflicts can arise between national interests and the application of common rules.

### **Judgement and approach**

Students shall develop the ability to critically analyse common issues and development trends in international economics. Students shall also develop the ability to pursue further studies in the subject.

### **Course content**

The course starts with a survey of the theories of international trade, an analysis of profits associated with international trade, and the effects of international trade on the price of goods and factor prices. Furthermore, theories of factor mobility are studied as well as the emergence of transnational corporations. The course also treats the motives behind different trade policies and the effect they can have, and the framework and organisation of the international trade system. Finally, the role of

trade policy and regional integration for trade and development is discussed.

## Course design

1. Teaching: Tuition consists of lectures and supervised exercises.

## Assessment

1. Examination: A written exam takes place at the end of the course. There will be further opportunities for examination close to this date. The examination also consists of an optional home exercise that gives credits in the ordinary written exam and the written re-exam during the same term.
2. Limitations on the number of examination opportunities: –

The University views plagiarism very seriously, and will take disciplinary action against students for any kind of attempted malpractice in connection with examinations and assessments. Plagiarism is considered to be a very serious academic offence. The penalty that may be imposed for this, and other unfair practices in examinations or assessments, includes suspension from the University for a specified period.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## Grades

Marking scale: Fail, E, D, C, B, A.

1. Grading: The official grading scale is A, B, C, D, E and Fail.
2. Weighting grades from different parts of the course: –
3. Grading scales for different parts of the course: –

## Entry requirements

At least 30 ECTS credits at university level is required for this course.

## Further information

1. Transitional regulations: –
2. Limitations in the period of validity: –
3. Limitations: The course cannot be included in the same degree as the sub-course in international economics in NEKA12 "Economics".
4. Similar courses: –
5. Limitations in renewed examination: –

## Subcourses in SASE31, Economics: International Economics

Applies from H15

1501 International economics, 7,5 hp  
Grading scale: Fail, E, D, C, B, A