

COURSE DESCRIPTION

INTERNATIONAL TRADE

Academic Year 2018-19

(Last updated date: 10th of May 2018)(Approved by the Department Council: 14th of May 2018)

MODULE	COURSE	YEAR	SEMESTER	CREDITS	TYPE
International Trade and Market Research	INTERNATIONAL TRADE	4º	1º	6	Elective
LECTURER(S)			FULL CONTACT INFORMATION FOR OFFICE HOURS:		
<div><ul style="list-style-type: none">Ana-Isabel Guerra Hernández Grupo A</div> <div>COORDINATOR OF THE COURSE:</div> <div><ul style="list-style-type: none">Ana-Isabel Guerra Hernández</div>			Department of International and Spanish Economics, Second floor, Faculty of Economics and Business. Office number: C-221. Email: anaisabelguerra@ugr.es		
			OFFICE HOURS		
			For the information about office hours, please check the following link: http://directorio.ugr.es		
BACHELOR'S DEGREE			OTHER BACHELOR'S DEGREE IN WHICH IT CAN BE TAUGHT		
Bachelor's Degree in Business Management and Administration					
PREREQUISITES AND/OR RECOMMENDATIONS					
<ul style="list-style-type: none">Basic knowledge of Applied EconomicsBasic knowledge of MacroeconomicsBasic knowledge of International Economics					
BRIEF DESCRIPTION OF CONTENTS (ACCORDING TO BACHELOR'S DEGREE'S VERIFICATION DOCUMENT)					
<ul style="list-style-type: none">Main Theories on International Trade.International Trade: Analysis Techniques.Rules of International Trade.Geographical and Sectoral distributional patterns of International Trade.					



GENERAL AND SPECIFIC COMPETENCES

General Competences:

Through this course, the student will attain the ability of:

- CG1: Self-directed learning.
- CG2: Analysing and searching for information from different sources.
- CG3: An Appropriate Handling of interpersonal relationships.
- CG5: Working under pressure conditions.
- CG6: Analysing and summarising the main contents of the course.
- CG7: Making decisions (based on sound arguments).
- CG8: Solving problems in the economic-business setting.
- CG9: Organising and Planning
- CG10: Adapting to new or little known contexts.
- CG11: Developing their creativity and intuition skills in order to implement the adequate strategy in different contexts.
- CG14: Developing their communication skills.
- CG15: Reflecting on the social and ethical responsibilities linked to the application of their knowledge and judgements
- CG16: Raising Awareness towards environmental and social issues.
- CG17: Increasing their concern for professional quality.
- CG18: Promoting the habits of searching actively for employment and developing and encouraging their entrepreneurial skills.

Specific Competences (according to the 'Verifica' Report and the contents of the course):

The students will acquire knowledge of:

- The current and past features of the international trade relationships.
- The main theories and models of international trade.
- The structure and the national and international institutional framework of trade.
- The most relevant Trade Policy measures, International payment tools and the Customs procedures in the context of the European Union.
- The national and international context surrounding companies and the potential effects on them.

The students will understand :

- The role played by competitiveness in the current international economic context.
- The main reasons behind business' success and failures.
- The main features, structure and changing patterns of multinational companies.

OBJECTIVES (EXPRESSED AS EXPECTED OUTCOMES OF THE LEARNING PROCESS)

Through this course, the students will acquire knowledge on the following subjects:

- Origin, Nature and Structure of the trade relationships between countries and regions.
- The Free Trade-Protectionism controversy and Neo-protectionism.
- The current structure of worldwide trade relationships through the role played by the major International and National Trade Institutions.



- Identify and Distinguish between the existing forms of economic and political integration : positive Versus negative integration//regional versus multilateral integration.
- The FOREX exchange market: cash transactions (spot) Instalments (forward), with premium and discount prices.
- Major integration processes. The European Union versus MERCOSUR.
- Measuring the degree of protection: nominal and effective rates of protection
- The elements and typology of tariffs.
- Theoretical foundations of protectionism: economic impacts of tariffs, subsidies and other Trade policy measures.
- The structure of the customs duties. The Combined Nomenclature and the EU's TARIC code.
- The International Trade Agreements of the European Union and their effects on the tariff.
- The criteria to value goods in customs according to the GATT code.
- Customs procedures.
- The Value Added Tax in International Trade.
- The international sales contract: stages, requirements, structure.
- INCOTERMS: distinctive features, categories and appropriate uses.
- International payment tools: general criteria for their choice.
- The role of banks in international payments.
- The risk of default for the parties involved.
- The most common means of payment.
- The Documentary Credit: regulations, procedures and key documents.
- Leasing, Factoring, Forfaiting and compensation trading.

As a result, the students will be able to:

- Calculate, analyse and interpret the main indicators of international trade.
- Distinguish the characteristics of each Incoterm.
- Identify measures of protectionism against products.
- Differentiate the advantages and disadvantages of each method of payment.
- Apply the exchange rate of currencies.
- Search for information related to international trade (especially on the Internet).
- Identify the features of the tools to avoid the risks of foreign exchange.
- Identify the features of the different customs procedures: advantages and disadvantages.
- Identify the role of banks in international trade.

DETAILED SYLLABUS OF THE COURSE

THEORETICAL CONTENTS:

- **Unit 1. Theories, Main Patterns and Features and Institutional Framework of International Trade.**
 - 1.1. Trends and Current Features of International Trade.
 - 1.2. The International and National Institutional Framework of Trade.
 - 1.3. Main Theories and Models of Trade: Brief review of the Classical, Neoclassical and New Theories of Trade.
- **Unit 2. Political and Economic Integration.**
 - 2.1. Aims, Typology and Economic Effects of Integration processes.



- 2.2. Processes of Regional Integration: Examples.
- 2.3. Trade Policy in the context of the European Union.
- **Unit 3. Trade Policy Instruments Part I: Tariff Measures**
 - 3.1. Aims, Typology and Economic Effects of Tariff Measures.
 - 3.2. Elements and Structure of Tariffs: Custom Duties and Tariff Nomenclature.
 - 3.3. The European Union's Integrated Tariff: The TARIC.
 - 3.4. Measuring the degree of protection: nominal and effective rates of protection.
 - 3.5. The criteria to value goods in customs according to the GATT code.
- **Unit 4. Trade Policy Instruments Part II: Non-Tariff Measures.**
 - 4.1. Non-Tariff Measures that work via prices.
 - 4.2. Non-Tariff Measures that work via quantities.
 - 4.3. The most common Trade Policy Measures of Neo-protectionism.
- **Unit 5. Customs Procedures.**
 - 5.1. Types of Customs Treatments.
 - 5.2. Release for "Free Circulation" or "End Use".
 - 5.3. International Transit Procedures.
 - 5.4. Economic Customs Procedures.
 - 5.5. The Abandonment in Favour of the Public Treasury.
- **Unit 6. Exchange Rate Regimes and FOREX Markets.**
 - 6.1. Exchange Rates (definitions) and Exchange Rate Regimes (typology).
 - 6.2. Structure of FOREX markets.
 - 6.3. Transactions made on the FOREX markets: cash transactions (spot) Instalments (forward), with premium and discount prices.
- **Unit 7. The International Sales Contract and the INCOTERMS.**
 - 7.1. The International Sales Contract: stages, requirements, structure.
 - 7.2. INCOTERMS: Aims and Distinctive Features.
 - 7.3. INCOTERMS: Categories and Appropriate Uses.
- **Unit 8. International Payment Tools.**
 - 8.1. General Aspects of International Payment tools and The role of banks in international payments.
 - 8.2. The Most Common means of Payment.
 - 8.3. Other international payment measures and tools: Leasing, Factoring, Forfaiting and compensation trading.

PRACTICAL CONTENTS AND ACTIVITIES:

Seminar/Activity_1: Global Value Chains: Definition, Measurement and Analysis.

Seminar/Activity_2: Trade Policy in the context of the European Union: Case Studies.

Seminar/Activity_3: Neo-protectionism: Case Studies.

Practical Contents:

1. **Advanced and Basic Trade Indicators (Practical Exercises)**
2. **Nominal versus Effective Protection. (Practical Exercises).**
3. **The Criteria to Value Goods in Customs and the VAT in International Trade. (Practical Exercises).**
4. **Cash Transaction (spot) Instalments (forward), with premium and discount prices**



(Practical Exercises).
5. INCOTERMS (Practical Exercises).

BIBLIOGRAPHY

MAIN TEXTBOOKS:

- Gstöhl, Sieglinde, De Bièvre, D.2018. The Trade Policy of the European Union. Ed. Mcmillan International Higher.
- Pomfret, R. 2016. International Trade: Theory, Evidence and Policy. Ed. World Scientific Publishing Company.
- Lyons, T. 2018. EU Customs Law. Ed. Oxford European Union Law Library.

OTHER RECOMMENDATION TEXTBOOKS:

- Feenstra, R. C. 2016. Advanced International Trade: Theory and Evidence. Ed. Princeton University Press.
- Van Marrewijk, C. 2017. International Trade. Ed. Oxford University Press.

RECOMMENDED LINKS

European Union Customs Procedures:

https://ec.europa.eu/taxation_customs/business/customs-procedures_en

<http://trade.ec.europa.eu/tradehelp/eu-import-procedures>

European Union's Trade Policy:

https://europa.eu/european-union/topics/trade_en

Organization for Economic Co-operation and Development (OECD):

<http://www.oecd.org/>

United Nations (UN):

<http://www.un.org/>

United Nations Conference on Trade and Development (UNCTAD):

<http://www.unctad.org/>

World Bank:

<http://www.worldbank.org>

World Trade Organization:

<https://www.wto.org/>

Global Value Chains:

<http://www.oecd.org/sti/ind/global-value-chains.htm>

TEACHING METHODOLOGY

The teaching methodology will be based on three aspects:

- Master lessons whereby the lecturer will introduce the students the contents and topics of the course.
- Discussion sessions where students are encouraged to actively participate.



- Practical sessions and case study analyses in order to apply the concepts and topics to real cases.

With the objective of easing the follow-up of the lessons, lecture notes, power point presentations and problem sets (with solutions, in some cases) for each unit will be available for the students on the Educational Platform (Prado 2).

In addition, the teaching methodology will follow this structure:

- Conventional Teaching** (face-to-face teaching): 30 percent (45 hours).
- Students' self-learning and self-studying processes:** 60 percent (90 hours).
- Individual or Collective Tutorials:** 10 percent (15 hours).

ASSESSMENT (ASSESSMENT TOOLS, ASSESSMENT CRITERIA AND PERCENTAGE OF FINAL MARK, ETC.)

In line with the rules of assessment and grading of the students of the University of Granada (latest modification approved by the Governing Board on 26th October 2016, Article 7th), the assessment of students' academic performance will reflect public, objective and impartial criteria, and will preferably be continuous and ongoing. Moreover, the assessment tools used in this course will be sufficiently diversified.

The following assessment procedure will be used:

- **Written Tests: 70 percent.** This category of tests will be mainly based on the theoretical contents of the course and will consist of both multiple-choice and essay questions.
- **Class participation and Worksheets based on class activities: 30 percent.** These activities will be based on a practical approach (Analyses of Case Studies). The Worksheets may be done individually or in group.

Students must obtain a minimum mark of 4 points out of 10 on the Written Tests (on average) in order to add to the final mark, those obtained on the Class participation and the Worksheets.

The continuous and ongoing assessment is compulsory. However, there is the possibility of applying for a single final assessment. In doing so, students must fulfil the requirements and must follow the procedure set out in Article 8th of the rules of assessment and grading of the students of the University of Granada (latest modification approved by the Governing Board on 26th October 2016).

Those students not sitting either the first call exams (ordinary call) or the special ones (extraordinary call) will get "Not Presented" as their final mark of this course. Nevertheless, if students under these circumstances have already handed in Worksheets and/or have taken written tests that represent at least 50 percent of the final mark of the course (according to the structure outlined above), they will get the average mark obtained on these assessment activities.

100 percent of the final mark of the course for those students resitting the exam (extraordinary call) will be exclusively based on the results of that exam.

DESCRIPTION OF THE SINGLE FINAL ASSESSMENT ACCORDING TO "RULES FOR ASSESSMENT OF THE UNIVERSITY OF GRANADA"



With a weight of 100 percent over the final mark of the course, the structure of the Single Final Assessment will consists of two parts:

- Part 1: A Theoretical part: 70 percent.
- Part 2: A Practical and Case Study Analysis: 30 percent.

OUTLINE

ADDITIONAL INFORMATION



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