

COURSE GUIDE

**International Trade**

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Approval date:

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Economía Aplicada: 21/06/2021

<b>Grado (Bachelor's Degree)</b>	Bachelor's Degree in Business Administration and Management	<b>Branch</b>	Social and Legal Sciences
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<b>Module</b>	Comercio Exterior e Investigación de Mercados	<b>Subject</b>	Comercio Exterior
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<b>Year of study</b>	4 <sup>o</sup>	<b>Semester</b>	1 <sup>o</sup>	<b>ECTS Credits</b>	6	<b>Course type</b>	Elective course
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**PREREQUISITES AND RECOMMENDATIONS**

- Basic knowledge of Applied Economics
- Basic knowledge of Macroeconomics
- Basic knowledge of International Economics

**BRIEF DESCRIPTION OF COURSE CONTENT (According to the programme's verification report)**

- Main Theories on International Trade.
- International Trade: Analysis Techniques.
- Rules of International Trade.
- Geographical and Sectoral distributional patterns of International Trade.

**SKILLS**

**GENERAL SKILLS**

- CG01 - Capacidad de aprendizaje y trabajo autónomo
- CG02 - Habilidad para analizar y buscar información proveniente de fuentes diversas aplicables al ámbito de estudio
- CG03 - Habilidad en las relaciones personales
- CG05 - Capacidad de trabajo en entornos de presión
- CG06 - Capacidad de análisis y síntesis
- CG07 - Capacidad para tomar decisiones
- CG08 - Capacidad para la resolución de problemas en el ámbito económico empresarial
- CG09 - Capacidad de organización y planificación
- CG10 - Capacidad de adaptación a nuevas situaciones o situaciones cambiantes
- CG14 - Poder transmitir información, ideas y soluciones sobre problemas planteados
- CG15 - Capacidad para asumir un compromiso ético en el trabajo



- CG16 - Sensibilidad hacia temas ambientales y sociales
- CG17 - Motivación por la calidad
- CG18 - Potenciar los hábitos de búsqueda activa de empleo y la capacidad de emprendimiento
- CG19 - Comunicación oral y escrita en castellano
- CG20 - Conocimientos de informática relativos al ámbito de estudio
- CG23 - Habilidad de comprensión cognitiva
- CG24 - Capacidad para aplicar los conocimientos a la práctica

### SUBJECT-SPECIFIC SKILLS

- CE45 - Conocer e interpretar el contexto económico nacional e internacional que rodea a la empresa así como interpretar su impacto en la misma.
- CE47 - Comprender la naturaleza, características y evolución de las empresas multinacionales.

### TRANSFERABLE SKILLS

- CT02 - Valorar a partir de los registros relevantes de información la situación y previsible evolución de una empresa y emitir informes sobre situaciones concretas de empresas y mercados o tomar decisiones en base a la información obtenida.
- CT03 - Ser capaz de planificar y controlar la gestión global o de las diversas áreas funcionales de la empresa.

## LEARNING OUTCOMES

Through this course, the students will acquire knowledge of 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 market(s): cash transactions (spot) Instalments (forward), with premium and discount prices.
- Major integration processes.
- 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:

- Analyse, evaluate and characterise the different types of organizations' markets.
- 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.

## PLANNED LEARNING ACTIVITIES

### THEORY SYLLABUS

- Unit 1. Theories, Main Patterns and Features and Institutional Framework of International Trade.
  - Trends and Current Features of International Trade.
  - The International and National Institutional Framework of Trade.
  - Main Theories and Models of Trade: Brief review of the Classical, Neoclassical and New Theories of Trade.
- Unit 2. Political and Economic Integration.
  - Aims, Typology and Economic Effects of Integration processes.
  - Processes of Regional Integration: Examples.
  - Trade Policy in the context of the European Union.
- Unit 3. Trade Policy Instruments Part I: Tariff Measures
  - Aims, Typology and Economic Effects of Tariff Measures.
  - Elements and Structure of Tariffs: Custom Duties and Tariff Nomenclature.
  - The European Union's Integrated Tariff: The TARIC.
  - Measuring the degree of protection: nominal and effective rates of protection.
  - The criteria to value goods in customs according to the GATT code.
- Unit 4. Trade Policy Instruments Part II: Non-Tariff Measures.
  - Non-Tariff Measures that work via prices.
  - Non-Tariff Measures that work via quantities.
  - The most common Trade Policy Measures of Neo-protectionism.
- Unit 5. Customs Procedures.
  - Types of Customs Treatments.
  - Release for "Free Circulation" or "End Use".
  - International Transit Procedures.
  - Economic Customs Procedures.
  - The Abandonment in Favour of the Public Treasury.
- Unit 6. Exchange Rate Regimes and FOREX Markets.



- Exchange Rates (definitions) and Exchange Rate Regimes (typology).
- Structure of FOREX markets.
- 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.
  - The International Sales Contract: stages, requirements, structure.
  - INCOTERMS: Aims and Distinctive Features.
  - INCOTERMS: Categories and Appropriate Uses.
- Unit 8. International Payment Tools.
  - General Aspects of International Payment tools and the role of banks in international payments.
  - The Most Common means of Payment.
  - Other international payment measures and tools: Leasing, Factoring, Forfaiting and compensation trading.

## PRACTICAL SYLLABUS

- Seminars:
  - Seminar/Activity\_1: Global Value Chains: Definition, Measurement and Analysis. Employment Footprint (from Trade).
  - Seminar/Activity\_2: The Role of Services in International Trade.
  - Seminar/Activity\_3: The differences and similarities between major processes of economic (and political) integration: the EU, MERCOSUR, ASEAN.
- Practical Exercises/Activities:
  - Nominal versus Effective Protection (Practical Exercises)
  - The Criteria to Value Goods in Customs and the VAT in International Trade (Practical Exercises)
  - Cash Transaction (spot) Instalments (forward), with premium and discount prices (Practical Exercises)
  - INCOTERMS (Practical Exercises).

## RECOMMENDED READING

### ESSENTIAL READING

- Dunn, R.M., Mutti, J.H., Ingram, J.C. 2004. International Economics 6th Edition. Ed. Taylor & Francis Group. Available in digital format at the Electronic library of the university of Granada.
- Gstöhl, Sieglinde, De Bièvre, D. 2018. The Trade Policy of the European Union. Ed. Mcmillan International Higher.
- Krugman, P.R, Obstfeld, M. and M.J. Melitz. International Economics: Theory and Policy. 2018. 11th Edition. Ed. Pearson.
- Lyons, T. 2018. EU Customs Law. Ed. Oxford European Union Law Library.
- Pomfret, R. 2016. International Trade: Theory, Evidence and Policy. Ed. World Scientific Publishing Company.
- Reinert, K. 2020. An Introduction to International Economics: New Perspectives on the World Economy (2nd ed.). Cambridge: Cambridge University Press.

### COMPLEMENTARY READING



- 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 LEARNING RESOURCES/TOOLS

European Union Customs Procedures:

- [https://ec.europa.eu/taxation\\_customs/business/customs-procedures\\_en](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](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 METHODS

- MD01 Docencia presencial en el aula
- MD02 Estudio individualizado del alumno, búsqueda, consulta y tratamiento de información, resolución de problemas y casos prácticos, y realización de trabajos y exposiciones.
- MD03 Tutorías individuales y/o colectivas y evaluación

## ASSESSMENT METHODS (Instruments, criteria and percentages)



## ORDINARY EXAMINATION DIET

- 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 a multiple-choice test.
  - Class participation and Worksheets based on class activities: 30 percent.
    - These activities will be based on a practical approach (Analyses of Case Studies, Seminars and other exercises proposed by the lecturer).
    - The lecturer in charge of the group will freely choose which of the practical contents and activities described in this guide.
    - 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 the results 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 the first call exams (ordinary call) will get "Not Presented" as their final mark of this course.

## EXTRAORDINARY EXAMINATION DIET

- The students who sit the exam during the extraordinary call, the mark obtained in the exam will have a 100 percent weight over the final mark of the course.
- The structure of the exam of the extraordinary assessment will consists of a multiple-choice test evaluating both the theoretical and the practical contents of the course.
- Those students not sitting the extraordinary assessment session will get "Not Presented" as their final mark of this course.

## SINGLE FINAL ASSESSMENT (evaluación única final)

- With a weight of 100 percent over the final mark of the course, the structure of the Single Final Assessment will consist of a multiple-choice test evaluating both the theoretical and the practical contents of the course.

## ADDITIONAL INFORMATION

- Additional information will be available at the Teaching Platform PRADO 2

