



華僑中學

HWA CHONG INSTITUTION

Sec.3 INTEGRATED HUMANITIES 2011 (PPE ELECTIVE)

Philosophy, Politics, Economics (PPE)

COURSE SYLLABUS

Part 1: LIBERALISM

1. Nature and scope of PPE: An Introduction
2. Liberalism and International Trade
 - a. Contemporary US-China Trade
3. The Economic Role of Government
 - a. Motives of firms vs. Motives of Governments
 - b. Welfare Economics
4. US Trade Deficit
 - a. Global supply chains, iPod and the US trade deficits

Part 2: REALISM

5. **International Relations** : Realism and a background to Sino-American Relations
6. **International Security** : East Asian Security Complex

Contents

SUMMATIVE ASSESSMENTS

1.	Research essay (Written)	40%
2.	Panel discussion * Students to submit written arguments for grading	20%
3.	Class assignments * Written assignments	10%
4.	Critical Online reflections (individual)	10%
5.	Reading quiz (3- Term 1)	10%
6.	Online collaborative discussions	5%
7.	Oral participation during Socratic Seminars*	5%
8.	Tests	Nil

RESEARCH ESSAYS

NO.	DATE	ITEM	GRADE	REMARKS
1				
2				

PANEL DISCUSSIONS

NO.	DATE	ITEM	GRADE	REMARKS
1				
2				

Lecture Notes: Philosophy, Politics, Economics (PPE)

CLASS ASSIGNMENTS/ READING QUIZES

NO.	DATE	ITEM	GRADE	REMARKS
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Lecture Notes: Philosophy, Politics, Economics (PPE)

CRITICAL ONLINE REFLECTIONS:

NO.	DATE	ITEM	GRADE	REMARKS
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Lecture Notes: Philosophy, Politics, Economics (PPE)

OTHERS:

NO.	DATE	ITEM	GRADE	REMARKS
1				
2				
3				
4				
5				



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***ALL ESSAYS ARE TO BE HANDWRITTEN WITH ADEQUATE REFERENCING (HARVARD REFERENCING SYSTEM). RESEARCH PAPERS WITHOUT PROPER REFERENCES WILL BE REJECTED. WIKIPEDIA IS NOT ACCEPTED AS AN ACADEMIC REFERENCE.**

Research Essay Topics for Term 1

Due date: End of Week 4 [Maximum 10 researchers]

1a. Explain the theory of absolute advantage propounded by Adam Smith. Your explanation must be supported with adequate diagrams and examples. [10m]

1b. Explain 3 reasons why do countries trade with one another? Your explanation must include adequate cases from the contemporary world. [15m]

Due date: End of Week 6

1a. Explain with the help of diagrams and examples the concept of opportunity cost. [5m]

1b. How does the theory of comparative advantage justify international trade? Your explanation must be supported with adequate diagrams and examples. [10m]

1c. Despite the theoretical benefits, why do countries continue to limit free trade? Your answer must include an actual case-study of trade limitation. [10m]

Due date: End of Week 8 [Maximum 10 researchers]

1a. Explain the European Convention on Human Rights (aka Human Rights Act 1998). [10m]

1b. Following media reports in June 2010, Human Rights activist accused Foxconn of Human Rights violations. Explain the case of possible violation with reference to the 1998 Human Rights Act. [15m]



***ALL ESSAYS ARE TO BE HANDWRITTEN WITH ADEQUATE REFERENCING (HARVARD REFERENCING SYSTEM). RESEARCH PAPERS WITHOUT PROPER REFERENCES WILL BE REJECTED. WIKIPEDIA IS NOT ACCEPTED AS AN ACADEMIC REFERENCE.**

Research Essay Topics for Term 2

Due date: End of Week 5 [Maximum 15 researchers]

- 1a. What are the assumptions and the predictions of the realist theory of International Relations. [10m]
- 1b. How do you explain Sino-American foreign relations since 1972 using the realist theory of International Relations? [15m]

Due date: End of Week 8

- 1a. What is 'anarchy' and its significance in International Relations? Explain your answer. [5m]
- 1b. What is the 'security dilemma'? Explain your answer. [5m]
- 1c. Explain (with historical examples) the dangers of the security dilemma. [5m]
- 1d. Prove (or disprove), with statistical evidence, a case for (or against) a case the existence of the security dilemma in East Asia. [10m]



ACE Projects: Students are encouraged to propose their **own** research topics for ACE projects. Alternatively, they can choose to write a book review on Machiavelli's *The Prince*.

What should be the focus? The write up must contain the following elements:

- (a) Write a book review on, *The Prince* by Niccolo Machiavelli (translated by Harvey Mansfield) . The University of Chicago Press: Chicago. 1998.
- (b) Your book review must contain the following elements:
 - What is the central teaching in *The Prince*?
 - What is the nature of Princes?
 - What should the Prince be preoccupied with?
 - What is the political problem identified in *The Prince*? Use textual evidence to substantiate your understanding of the political problems.
- (c) *The Prince* was first published in 1532. Is it relevant today?



Date:

Name:

Lecture 1: Introduction to the nature and scope of PPE

1.1. What is PPE?

As an academic discipline, Economics is a study of **how scarce resources are allocated to the production of goods and services meet the unlimited wants of human beings**. With an understanding of economics, governments **purport to provide better living standards and conditions for their citizens; which traditionally is the foci of Politics**. But economic and political activities are only possible through certain theoretical assumptions about human nature provided by Philosophy.

1.2. Central Problems of a Political-Economy

(a) Resources: As seen in our pre-course survey, human wants are limited. And as seen in the case study of the iPod, resources are limited, in the broad areas:

- i. *Natural Resources:* depleting resources such as coal and petroleum.
- ii. *Factors of production (Land, Labour, Capital, Entrepreneurship).*
- iii. *Finance*
- iv. *Time*

(b) Scarcity: With unlimited wants and limited resource, scarcity arises. It is a situation whereby scarce resources are unable to meet unlimited wants.

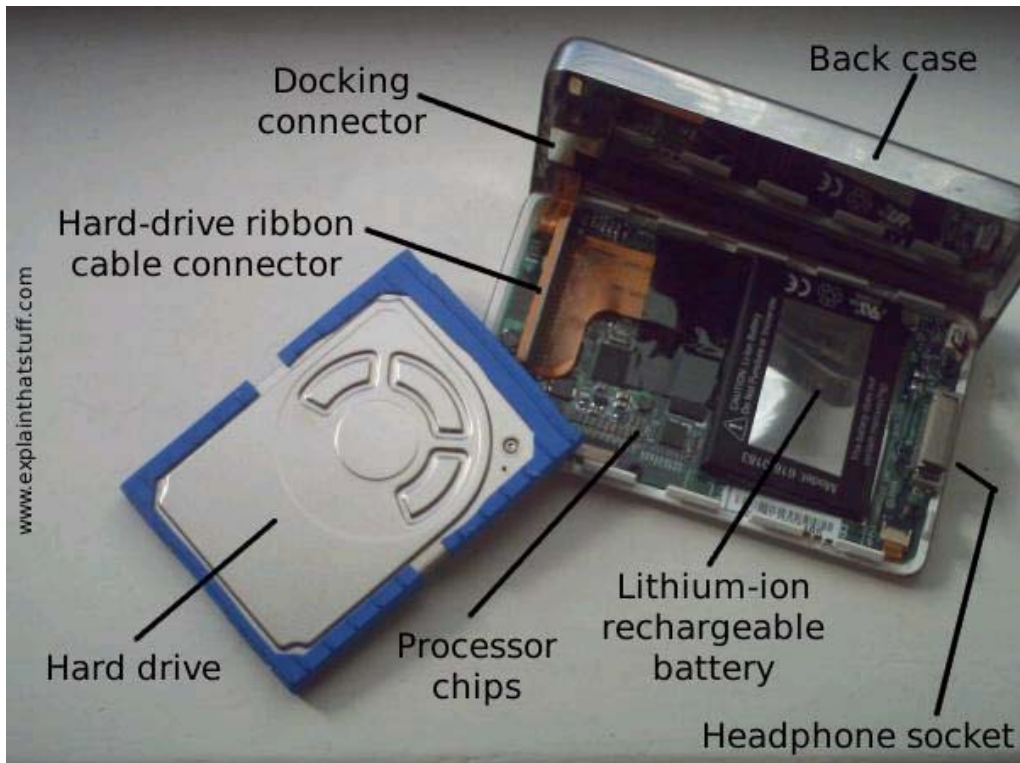
(c) Opportunity cost: the existence of scarcity necessitates choice as human beings are only able to satisfy not all, but only some of our wants. Therefore we make priorities our wants so that our satisfaction is maximized, with the given scarce resources. But as we make choices, we **forgo the next best alternative (definition of opportunity cost)**. *Illustration of opportunity cost:

1.3. Opportunity Cost, International Trade and the case of iPod

Living in a globalized economy many things around us are likely to be manufactured or produced in many different countries. Let us take the case of the 30GB 5th Generation iPod (Video iPod).
Some preliminary questions first:

- (a) Name the company that manufactures the iPod: _____
- (b) Name the country and the state where this company originates from: _____
- (c) Where is iPod made?

1.4. Let us *dissect the iPod¹



1.5. ICT: Inquiry questions

- (a) Does Apple Inc. produce all the components that make up an iPod?
- (b) So where are these parts made?

¹ If you have an iPod and you wish to conduct a similar dissection, you are entirely responsible for the potential damage(s) caused. The instructor is not responsible for any damages as this video demonstration is aimed at presenting the components of the iPod only.



Date:

Name:

Lecture 2: Introduction to International Economics (International Trade)

2.1. Scenario

Consider this situation. There are only 2 countries in the world- USA and UK. Both USA and UK produce 2 types of goods- Mobile phones and MP3 Players. The production from the two countries and represented in table 1.

Table 1

	Mobile Phones	MP3 Players
USA	200	100
UK	100	200
Total Output	300	300

- (a) Should there be trade between USA and UK?
- (b) Under what conditions?

2.2. International Trade: A brief history

International Trade was a chief concern for the founders of modern economic thought. The great 19th Century British Philosopher, David Hume, developed an argument to limit trade. But it was Adam Smith (5 June 1723 – 17 July 1790), a Scottish professor of Moral Philosophy.

ICT: What was Smith's contribution to modern day International Trade? What assumptions did he make about human nature to justify his theory?



Date:

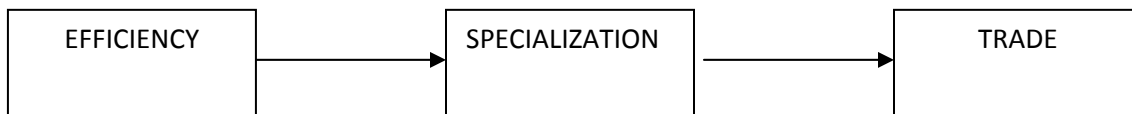
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Lecture 2a: International Trade (Adam Smith and the Theory of Absolute Advantage)

- After this lesson, students must be able to explain, with examples and graphical illustrations, The Theory of Absolute Advantage propounded by Adam Smith.

Absolute Advantage: concerns with the quantities of single product that can be produced using the same quantity of resource in two different countries.

2ai. Efficiency, Specialization and Trade (adapted from Lipsey and Steiner (ed.al). *Economics*) p. 773.



International Trade and the resulting gains from trade arise in response to specialization in production undertaken to increase efficiency. The first arrow shows the link between efficiency and specialization in production; an economy can achieve increased efficiency by specializing in the production of those goods and services that it is relatively good at producing. The second arrow shows the link between specialization in production and the need to engage in international trade. When an economy specializes in the production, its production of most goods and services will not match the desired consumption of its citizens. In order to obtain the desired goods and services for consumption, it must engage in international trade, exporting those goods and services that it produces in excess of desired consumption, and importing those of which desired consumption exceeds domestic production.

Table 1: An Illustrated Example

1a: Before specialization and trade

	Mobile Phones (Units)	MP3 Players (Units)
USA	200	100
UK	100	200
Total Output	300	300

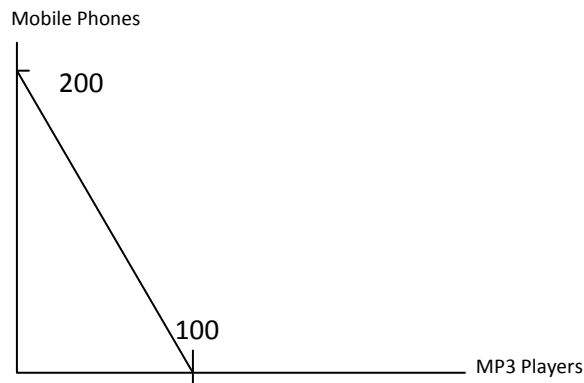
(a) Should there be trade between USA and UK? **Yes**

Why? Because USA is more efficient in the production of mobile phones and UK, more efficient in the production of MP3 Players.

Detailed explanation:

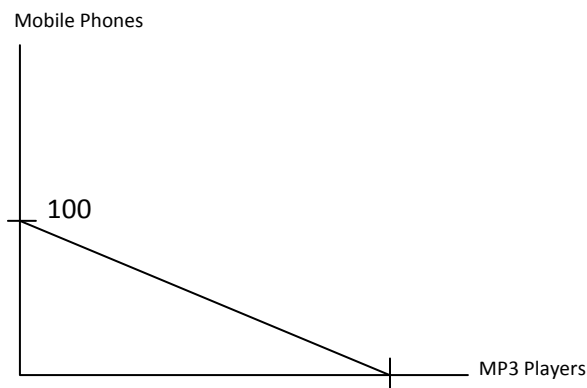
For the case of USA, 1 unit of resource can produce 200 Mobile Phones or 100 MP3 Players (assuming that Americans only require that number of goods.)

Graph 1a: Production and consumption possibilities of USA, before specialization.



Similarly, UK, the same 1 unit of resource can produce 100 Mobile Phones and 200 MP3 Players.

Graph 1b: Production and consumption possibilities of UK, before specialization.



1b: After specialization

	Mobile Phones (Units)	MP3 Players (Units)
USA	400	0
UK	0	400
Total Output	400	400

Therefore we can conclude that, _____ Absolute Advantage in the production of Mobile Phones and _____ has Absolute Advantage in the production of MP3 Players. So, _____ specializes in the production of Mobile Phones and _____ specializes in the production of MP3 Players. When this happens total world production of world of both Mobile Phones and MP3 Players. According to the theory of Absolute Advantage, this entails a rise in average standard of living.

Under what conditions should trade take place? **1:1 exchange (Reciprocal Exchange)**

2a. Scenario

Consider this situation. There are only 2 countries in the world- USA and China. Both USA and China produce 2 types of goods- Jeans and Toys. The production from the two countries and represented in table 2.

Table 2:

	Jeans (units)	Toys (Units)
USA	200	2000
China	100	1500
Total Output	300	3500

- (a) Should there be trade between USA and UK?
- (b) Under what conditions?



Date:

Name:

Lecture 2b: International Trade (David Ricardo and the Theory of Comparative Advantage)

- After this lesson, students must be able to explain, with examples and graphical illustrations, The Theory of Comparative Advantage propounded by David Ricardo.

Comparative Advantage: The ability of one nation (region or individual) to produce a commodity at a lesser opportunity cost of other products forgone than another nation (region or individual).

Pre-lecture activity: [Role Play worksheet from the IMF](#)