

**Economics Special III
International Economics**

Semester V	Subject Code: A51709	Lectures: 60
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Objectives:

- To familiarize the students with the theoretical aspects of International Trade.
- To develop a perspective among the students regarding the Global Economic Developments and their impact on India's Foreign Trade.
- To inculcate amongst the students a policy orientation about issues relating to International Trade.

Unit 1: Introduction	8
<ul style="list-style-type: none"> • International Economics- Meaning, Scope & Importance • Inter-regional and International Trade • Importance of International Trade • International Trade as an engine of Economic Growth 	

Unit 2: Theories of International Trade	10
<ul style="list-style-type: none"> • Theory of Absolute Cost Advantage • Theory of Comparative Cost Advantage • Heckscher-Ohlin Theory • Leontief's Paradox • Intra-Industry Trade • Linder and Kravis Models of International Trade 	

Unit 3: Terms of Trade	10
<ul style="list-style-type: none"> • Gains from Trade – Static and Dynamic • Terms of Trade – Concept, Types and Measurement - Net Barter Terms of Trade , Gross Barter Terms of Trade, Income Terms of Trade, Factoral Terms of Trade • Importance and Determinants of Terms of Trade • Causes of unfavorable Terms of Trade for developing countries 	
Unit 4: Trade Policy	10
<ul style="list-style-type: none"> • Free Trade Policy –Meaning, case for and against Free Trade • Protection Policy – Meaning, case for and against Protection Policy • Tariffs and Quotas- Meaning and Types 	



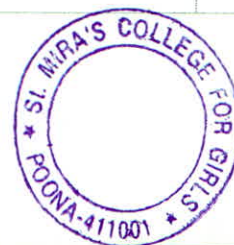
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Unit 5: International Resource Transfers	10.
<ul style="list-style-type: none"> • Foreign Capital Flows- Meaning and Types • Role of MNCs, Problems of MNCs • Foreign Aid • International Labor Migration- Meaning, Reasons • Brain Drain and Brain Gain 	

***Assignments and Library hours – 12 hours**

Recommended Books:	
<ul style="list-style-type: none"> • Agarwal A. N.(latest edition) –“ Indian Economy-Problems of Development and Planning” • Cherunilam F.(latest ed.),International Economics ,Tata McGraw Hill, N.Delhi • Datt, R and Sundaram, KPM (latest edition) “ Indian Economy”S. Chand &Co.Ltd. N.Delhi. • Ellsworth P.-(latest edition)“ International Economy”,Collier MacMillan International Edition. • Gupta K.R (latest ed), “ International Economics” Atma Ram and Sons,Delhi - 6. • Kindleberger C.P.- (1984) “International Economics” R.D. Irwin Homewood. ✗ • Misra, S.K. and Puri, V. K.(latest ed) – “Indian Economy” Himalaya Publishing House, Mumbai • Salvatore Dominic (1997) –“International Economics” Prentice Hall NJ. • Salvatore Dominic (2004)-Theory and Problems of International Economics – Schaum's Outline Series,.Tata - Mc Graw Hill Publishing Co. Ltd,New Delhi. • Shrivastava, O.S. -(latest ed.), “ International Economics”. Kalyani Publishers. • Sodersten Bo (1991) “International Economics” ,The MacMillan Press Ltd, London. • Sawyer W.C. and Sprinkle R.L.(2003)- “International Economics” Prentice-Hall of India Pvt. Ltd., N.Delhi. 	

Reference Books:	
<ul style="list-style-type: none"> • Ingram James (1983) –“ International Economics”, John Wiley and Sons, Inc. • Hoekman, A. Mattoo, Philip English eds. (2005)-“Development, Trade and the WTO” –Indian Ed.,Published for the World Bank by Atlantic Publication New 	



Delhi.

- Kenen, Peter (2000)-"The International Economy", Cambridge University Press.
- Meade James-"The Theory of International Economic Policy "Vol I & II, Oxford
- Van Marrewijk-"International Trade and The World Economy", latest ed.
- Johnson H.G.(eds)-"Trade Strategies for Rich and Poor Nations", George Allen and Unwin, latest ed.
- Soderston Bo, Geoffery Reed -"International Economics", 3rd ed. Macmillan
- Lindert Peter, H.(1987)," International Economics", Richard Irwin Inc.
- Krugman P.R. and Obstfeld Maurice(2000)-"International Economics -Theory and Policy", Addison Wesley Longman (Ind) Delhi.



**Economics Special III
International Economics**

Semester VI	Subject Code: A61709	Lectures: 60
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Objectives:

- To familiarize the students with the theoretical aspects of International Trade.
- To develop a perspective among the students regarding the global economic developments like regional groupings, trade and monetary framework and their impact on Global Trade.
- To inculcate amongst the students a policy orientation about issues relating to International Trade.

Unit 1: Introduction	12
<ul style="list-style-type: none"> • Balance of Payments- Meaning and Composition • Balance of Trade • Current account and Capital account • Autonomous and Accommodating Transactions • Equilibrium and Disequilibrium in Balance of Payments • Causes of Disequilibrium in Balance of Payments • Types of Disequilibrium in Balance of Payments • Methods to correct the Disequilibrium in Balance of Payments 	
Unit 2: Foreign Exchange Rate	12
<ul style="list-style-type: none"> • Meaning and Types of Foreign Exchange Rate • Meaning and Functions of Foreign Exchange Market • Demand for and Supply of Foreign Exchange • Factors influencing Foreign Exchange Rate • Theories of Foreign Exchange Rate- Purchasing Power Parity Theory and Balance of Payments Theory of Foreign Exchange Rate Determination • Fixed Exchange Rate System- Meaning, Advantages and Disadvantages • Flexible Exchange Rate System- Meaning, Advantages and Disadvantages 	
Unit 3: Regional Cooperation and Emerging Economies	10
<ul style="list-style-type: none"> • Meaning of Regional Cooperation • Forms of Regional Cooperation • An overview of the history of Regional Cooperation • Benefits of Regional Cooperation • Problems of Regional Cooperation • Emergence of EU- EURO- Current Status of EU as an Economic Union 	



<ul style="list-style-type: none"> • SAARC- Principles and Objective; Prospects for cooperation in future • Emerging Economy Alignment – BRICS 	
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Unit 4: Trade and Monetary Framework	06
<ul style="list-style-type: none"> • GATT- Objectives and Functions • WTO- Objectives and Functions; Agreements under WTO- Agriculture, TRIPs, TRIMs, GATS • IMF- Objectives, Functions • World Bank - Objectives, Functions 	

Unit 5: India's External Trade	08
<ul style="list-style-type: none"> • India's External Trade- Size, Structure and Direction since 1991 • India's Balance of Payments since 1991- Causes of Disequilibrium and Measures to correct the disequilibrium in Balance of Payments • Foreign Trade Policy (FTP) in the Post-Reform Era – FTP (2015-2020) • Convertibility of the Indian Rupee 	

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