

**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.

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

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

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

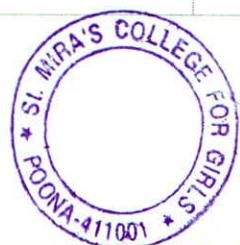


<b>Unit 5: International Resource Transfers</b>	<b>10.</b>
<ul style="list-style-type: none"> <li>• Foreign Capital Flows- Meaning and Types</li> <li>• Role of MNCs, Problems of MNCs</li> <li>• Foreign Aid</li> <li>• International Labor Migration- Meaning, Reasons</li> <li>• Brain Drain and Brain Gain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

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

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

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- Kenen,Peter (2000)-“The International Economy”,Cambridge University Press.
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- Krugman P.R.and Obstfeld Maurice(2000)-“International Economics –Theory and Policy”, Addison Wesley Longman (Ind ) Delhi.



**Economics Special III**  
**International Economics**

<b>Semester VI</b>	<b>Subject Code: A61709</b>	<b>Lectures: 60</b>
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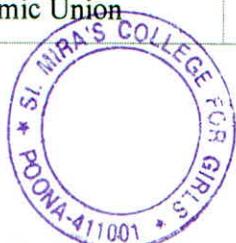
**Objectives:**

- 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.

<b>Unit 1: Introduction</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Balance of Payments- Meaning and Composition</li> <li>• Balance of Trade</li> <li>• Current account and Capital account</li> <li>• Autonomous and Accommodating Transactions</li> <li>• Equilibrium and Disequilibrium in Balance of Payments</li> <li>• Causes of Disequilibrium in Balance of Payments</li> <li>• Types of Disequilibrium in Balance of Payments</li> <li>• Methods to correct the Disequilibrium in Balance of Payments</li> </ul>	

<b>Unit 2: Foreign Exchange Rate</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Meaning and Types of Foreign Exchange Rate</li> <li>• Meaning and Functions of Foreign Exchange Market</li> <li>• Demand for and Supply of Foreign Exchange</li> <li>• Factors influencing Foreign Exchange Rate</li> <li>• Theories of Foreign Exchange Rate- Purchasing Power Parity Theory and Balance of Payments Theory of Foreign Exchange Rate Determination</li> <li>• Fixed Exchange Rate System- Meaning, Advantages and Disadvantages</li> <li>• Flexible Exchange Rate System- Meaning, Advantages and Disadvantages</li> </ul>	

<b>Unit 3: Regional Cooperation and Emerging Economies</b>	<b>10</b>
<ul style="list-style-type: none"> <li>• Meaning of Regional Cooperation</li> <li>• Forms of Regional Cooperation</li> <li>• An overview of the history of Regional Cooperation</li> <li>• Benefits of Regional Cooperation</li> <li>• Problems of Regional Cooperation</li> <li>• Emergence of EU- EURO- Current Status of EU as an Economic Union</li> </ul>	



- SAARC- Principles and Objective; Prospects for cooperation in future
- Emerging Economy Alignment – BRICS

<b>Unit 4: Trade and Monetary Framework</b>	<b>06</b>
<ul style="list-style-type: none"> <li>• GATT- Objectives and Functions</li> <li>• WTO- Objectives and Functions; Agreements under WTO- Agriculture, TRIPs, TRIMs, GATS</li> <li>• IMF- Objectives, Functions</li> <li>• World Bank - Objectives, Functions</li> </ul>	

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

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