

DEPARTMENT OF ECONOMICS

B.A.-III, Semester-V

SUBJECT: ECONOMICS PAPER TITLE: International Economics PAPER CODE: DC X-546006

OBJECTIVES: The student will be able to

- explain the basic principles of International trade
- take position on the impact of free trade on the Global Economy.
- discuss basic knowledge about the policies of international trade

Unit No.	Topic	No. of Lectures Sub Topic	No. of Lectures Assigned	Marks Assigned	Credit
I	<p>Introduction to International Economics and Theories of International Trade</p> <ul style="list-style-type: none"> • Importance of the study of international economics • Inter-regional and international trade • Theory of absolute advantages • Theory of Comparative advantage • Heckscher-Ohlin theory of trade • Doctrine of reciprocal demand 	3 2 3 2 2 3	15	25	1.0
II	<p>Gains from International Trade and Terms of Trade</p> <ul style="list-style-type: none"> • Gains from international trade – Dynamic and Static Gains- measurements and distributions • Trade as engine of economic growth • Concept of terms of trade and their importance in the theory of trade • Measurement of Terms of Trade-Barter 	5 2 3	15	25	1.0

	Terms of Trade, Income Terms of Trade, Single and Double factor terms of trade	5			
III	Policy of International Trade	4	15	25	1.0
	• Free Trade and Protection	3			
	• Concept of Tariff and Non-Tariff Barriers	2			
	• Tariff -types and its impacts on trade	2			
	• Concept of optimum tariff	2			
	• Quota- types and its impacts on trade	2			
• Bilateral and multilateral trade agreement-meaning, objectives, merits and demerits	2				
IV	Balance of Trade and Balance of Payments	2	15	25	1.0
	• Concept of balance of trade-BOT	2			
	• Concept of Balance of Payment-BOP	2			
	• Equilibrium and disequilibrium of balance of Payments	2			
	• Consequences of disequilibrium in balance of payments	2			
	• Various measures to correct deficit in the balance of payment-monetary and non-monetary measures	2			
	• Theories of exchange rate determinations- Purchasing power parity theory and Fixed and flexible exchange rate	2			
	• Partial and full convertibility of currency with special reference to India	2			
	1				
	2				

	Total Lectures	60	60	100	4.0
--	-----------------------	-----------	-----------	------------	------------

References:

- Jhingan, M.L. (2012) *International Economics*, New Delhi: S. Chand Publication.
- Karim, Koshteh MH) and Salarpour Mashallah (2012) *International Trade Reforms and Iranian Economy*, Delhi: Serial Publication.
- Krugman, Paul & Maurice Obstfeld (2015) *International Economics: Theory and Policy*, Delhi: Pearson Education.
- Marrewijk, Charles (2010) *International Economics Theory, Application and Policy*, Oxford University Press
- Mithani D.M. (2015) *International Economics*, New Delhi: Himalaya Publishing House
- Salvatore, Dominick (2012) *International Economics*, USA: John Wiley & Sons
- Sodersten, Bo (1991), *International Economics*, London: Macmillan Press Ltd.
- **Thompson, Henry (2006) *International Economics: Global Markets and Competition, USA:*** World Scientific Publishing. <http://www.e-booksdirectory.com/details.php?ebook=2391>
- Suranovic, Steven M. (2007) *International Trade Theory and Policy*, Web: internationalecon.com