

Paper Code: 2334

B.A. HONOURS IN ECONOMICS
SECOND YEAR HONOURS
Paper – VIII
INTERNATIONAL ECONOMICS

Course Outcome:

CO1: This paper will develop the understanding of theories of International Trade which explain the reasons, composition and impacts of international trade to students.

CO2: It will also build the understanding of trade policy and exchange rate system.

CO3: The students will have an idea about trends, composition and direction of international trade and trade policy of India.

UNIT – I

Importance of International Economics, Inter-regional and international trade, Theories of International Trade, Theory of Absolute Advantage, Comparative Advantage and Opportunity Cost, Hecksher-Ohlin theory of trade and trade under Imperfect Competition.

UNIT – II

Gains from Trade – Their measurement and distribution, Concepts of terms of trade and determinants of Terms of Trade.

Concept and components of Balance of Payments, Equilibrium & Dis-equilibrium in Balance of Payments, Devaluation and other measures to correct deficit in the Balance of Payments.

UNIT – III

Foreign Trade Policy – Free trade v/s Protection, Types of Tariffs and Quotas and their impact on Partial Equilibrium analysis. Concept of Optimum and effective Tarrif. Concept of Foreign Trade Multiplier.

UNIT – IV

Foreign exchange – Meaning, Types and Theories of Determination of Exchange Rate- The Purchasing Power Parity Theory and Modern Theory. Fixed v/s Flexible Exchange Rate Policy. Exchange Control- Meaning, Objectives and Methods of Exchange Control.

UNIT – V

Foreign Trade of India- Trend, Composition and Direction. EXIM Policy of India –Pre and Post Globalisation. FDI- Trends and Impact. WTO and Its Impact on Indian Economy. Globalisation Debate: Regionalism, Multilateralism or Nationalism.

Basic Reading List

1. Acharyya R.(2014). International Economics-An Introduction to Theory and Policy, Oxford University Press, New Delhi.
2. Barla C.S. and Agrawal (2012). International Economics. Laxmi Narayan Agarwal, Agra. (Hindi Version)
3. Cherunilam, F. (2008). International Economics, The Tata McGraw-Hill Companies, New Delhi. 5th Ed.
4. Jhingan M.L. (2015). International Economics, Vrinda Publications, New Delhi (English & Hindi Version)
5. Kindlberger, C. P. (1991). International Economics, R D Irwin, Homewood.8th Ed.
6. Krugman, P.R. and M. Obstfeld (2013). International Economics- Theory and Policy, Dorling Kindersely Pvt. Ltd. Licensee of Pearson Education, new Delhi India.
7. Salvatore, D. (2014). International Economics: Trade and Finance., Jhon Wiley & Sons, Singapore.
8. Mithani, D. M. – International Economics, Himalaya Publication House, Bombay
9. Rana, K.C. and K.N. Verma (2010). International Economics, Vishal Publishing House, Ludhiyana. (English & Hindi Version)
10. Sodersten, B.C. (1991). International Economics, Macmillan Press, London.
11. Swami, K. D. (2008) – International Economics, Scientific Publications, Jodhpur. (Hindi Version)
12. Vaish, M.C. and S. Singh (2000). International Economics, Oxford and I.B.H. Publishing Company Pt. Ltd., New Delhi. (Hindi Version)