

Semester:- V Course- 507
INTERNATIONAL ECONOMICS

PREAMBLE

This course provides the students a thorough understanding and deep knowledge about the basic principles that tend to govern the free flow of trade in goods and services at the global level. The contents of the Paper spread over various modules, lay stress both on theory and applied nature of the subject that have registered rapid changes during the last decade. Besides this, the contents prepare the students to know the impact of free trade and tariffs on the different sectors of the economy as well as at the macro level. The students would also be well trained about the rationale of recent changes in the export-import policies of India.

Unite 1: Introduction & Theories of International Trade:

International economics- meaning, Scope & Importance, meaning of Inter-regional and international trade, Adam Smith's absolute cost advantage theory, David Ricardo's Comparative cost advantage theory.

Unite 2: Theories of International Trade:

Haberler's opportunity cost theory, Heckscher-Ohlin theory, Leontief's paradox,

Unite 3 : Gains from Trade:

Gains from trade -Their measurement of gains, Trade as an engine of economic growth, Terms of trade –concepts, Importance & types, The theory of reciprocal demand, Offer curves and terms of trade, Causes of unfavorable terms of trade to less developed countries.

Unite 4 : Trade policy:

Free trade policy - case for and against, Protections – case for and against, Types of tariffs and quotas – Their impact in partial equilibrium analysis.

BASIC READING LIST

1. Kenan, P.B. (1994), The International Economy, Cambridge University Press, London.
2. Kindlberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
3. Krugman, P.R. and M. Obstfeld (1994), International Economics : Theory and Policy, Glenview, Foresman.
4. Salvatore, D.L. (1997), International Economics, Prentice -Hall, Upper SaddleRiver, N.J.
5. Sodersten, Bo (1991), International Economics, Macmillan Press Ltd., London.

ADDITIONAL READING LIST

1. Bhagwati, J. (Ed.) (1981), International Trade, Selected Readings, Cambridge University Press, Mass.
2. Greenaway, D. (1983), International Trade Policy, Macmillan Publishers Ltd., London.
3. Joshi V. and I.M.D. Little (1998), India's Economic Reforms, 1999-2001, Oxford University Press, Delhi.
4. Panchmukhi, V.R. (1978), Trade Policies of India : A Quantitative Analysis, Concept Publishing Company, New Delhi.
5. Patel, S.J. (1995), Indian Economy Towards the 21st Century, University Press Ltd., India.