

B.A. Semester:- VI Course -607
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: Foreign Exchange Rate:

Meaning of Exchange rate, Fixed & flexible Exchange Rate - merits & Demerits, Theories of exchange rate – The purchasing power parity theory – the balance of payments theory.

Unite 2: Balance of trade & Balance of Payments:

Concepts and components of Balance of trade and Balance of payments, Equilibrium and disequilibrium in balance of payments, causes of disequilibrium in balance of payments,
Various measures to correct deficit in the balance of payments. Devaluation – merits, demerits & limitations.

Unite 3: Foreign Trade in India

Recent changes in the composition and direction of foreign trade, Causes and effects of persistent deficit in the balance of payments, Measures adopted by the government to correct the deficit after 1991, Export – import policies in India, contribution of SEZ in India.

Unite 4: International Institutions

World Bank – objectives, Functions & performance, IMF objectives, Functions & performance, WTO & India, Role of multinational corporations in India, FDI & FII merits, demerits.

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 Saddle River, 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.
5. Patel, S.J. (1995), Indian Economy Towards the 21st Century, University Press Ltd., India.