

SAINT CLARET COLLEGE, ZIRO

B. A. (ECONOMICS)

SYLLABUS AS PER RGU SEMESTRAL SCHEME

(Subjected to syllabus enrichment by SCCZ for Claretines)

Semester V

BECO 507: International Economics

Marks: 100 (80- End Semester and 20- Sessional)

Objectives: Having studied this paper, a student will able to:

- a. *Explain the meaning of classical theory*
- b. *Elucidate the theory of commercial policy*
- c. *Describe the factors endowment theory and terms of trade*
- d. *Describe the importance of balance of payments.*

Unit 0: Baseline analysis: Assessment of baseline knowledge; objectives and Goal- setting.

Unit I: Classical Theory- Mercantilism on international trade, its limitations; Adam smith's model, its shortcomings; Ricardian model of comparative cost and opportunity cost model of Haberler.

Unit II: Factor Endowment Theory and Terms of Trade- Heckscher- Ohlin theory and Leontief Paradox; Terms of Trade, different concepts of terms of trade, and gains from trade.

Unit III: Theory of Commercial Policy- Arguments for and against protection- methods of trade Restriction: Tariff and Non- Tariff Trade barriers- Dumping, Export subsidy and countervailing duties- Economic integration: EU, ASEAN, SAPTA, Evolution of WTO.

Unit IV: Foreign Exchange- Exchange rate determination: gold standard (Mint Parity), Purchasing power parity, floating exchange rate, Fixed and flexible exchange rate, depreciation and devaluation of exchange rate, components of foreign exchange reserve with references to India

Unit V: Balance of Payments- Balance of trade, Balance of payments (BOP)- ITS different accounts; Equilibrium and disequilibrium in BOP- measurements of magnitude of disequilibrium- Measures to correct BOP disequilibrium, IMF: its functions.

Unit 100: Advanced Skills: Journal/ magazine review, Assignment/ projects; seminar presentation.

Recommended Readings:

Kindleberger, C. P. (1963). *International Economics*. Homewood, IL: R. D. Irwin.

Sodersten, B., & Geoffrey, R. (1999). *International Economics*. United Kingdom: Palgrave

Macmillan Mannur, H.G. (1999) *International Economics*. Delhi: Vikas Publishing House.

Ray, P. K., & Khuda K. B. (1969). *International Economics*. Kolkata: Nab Bharatsathiyamandir.

Allen, R. G. D. (1967). *Macroeconomics Theory*. London: St. Martin's Press.

National Digital library of India. (n.d). *Adam Smith and Ricardo*. Retrieved from.

<http://ndl.iitkgp.ac.in/document/aEdYNHd3bzVMTUphUIFLdG1uQzJ3bGUzSitDZENH QW1EY2Y0UXF2VFJ6QT0>