

T.Y. B.Com.
Compulsory Paper
Subject Name -: International Economics
Course Code -: 303 (B)

Objectives :

- 1) To study the theories of International Trade.
- 2) To highlight the trends and challenges faced by nations in a challenging global environment.

TERM-I

Unit No.	Topic		Lectures
1	Introduction		12
	1.1	Meaning and Scope of International Economics.	
	1.2	Importance of International Trade	
	1.3	Domestic Trade Vs International Trade	
	1.4	Role of International Trade in Economic Growth	
2	Theories of International Trade		12
	2.1	Theory of absolute cost advantage	
	2.2	Theory of comparative cost advantage	
	2.3	Theory of factor endowment (Hecksher-ohlin Theory, Leontief Paradox)	
	2.4	Intra Industrial Trade	
3	Terms of Trade		12
	3.1	Concept of Terms of Trade A) Gross Barter Terms of Trade B) Net Barter Terms of Trade C) Income Terms of Trade and Trade Policy D) Single Factorial Terms of Trade E) Double Factorial Terms of Trade	
	3.2	Factors affecting on Terms of Trade	
	3.3	Free Trade Policy – Meaning, Arguments for and against	
	3.4	Protection Policy – Meaning, Arguments for and against	
	Regional and International Economic Co-operation		
	4.1	Regional Co-operation – European Union (E.U)	
4	4.2	South Asian Association for Regional co-operation (SAARC)	12
	4.3	Concept of Trade Blocks and Economic Integration	
	4.3.1	South American Preferential Trading Arrangement (SAPTA)	
	4.3.2	North Atlantic free Trade Agreement (NAFTA)	
	4.4	BRICS – Introduction & Functions	
	TERM – II		
5	Balance of Payment		12
	5.1	Concept of Balance of Trade and Balance of Payments	
	5.2	Balance of Payment on current Account and Capital Account	
	5.3	Measures to correct disequilibrium of Balance of Payment	
	5.4	Causes of disequilibrium of Balance of Payment	

Unit No.	Topic		Lectures
	5.5	Convertibility of Rupee on Current and Capital Account.	
6	Foreign Exchange Rate		12
	6.1	Meaning of Foreign exchange rate	
	6.2	Fixed v/s flexible exchange rate	
	6.3	Theories of Exchange Rate	
	6.3.1	Purchasing Power Parity Theory	
	6.3.2	Balance of Payments Theory	
7	Foreign Exchange Market		12
	7.1	Structure of foreign exchange market	
	7.2	Management of Foreign Exchange -inflow and outflow of foreign capital.	
	7.3	Euro Dollar Market – Nature and Scope	
	7.4	Advantages & Disadvantages of Foreign Exchange Market.	
8	Factor Mobility and Foreign Trade Policy		12
	8.1	Foreign Capital – Meaning of Foreign Direct Investment and Foreign Institutional Investments	
	8.2	Role of Multi National Corporations (MNC's)	
	8.3	Motives and effects of International Labour Migration	
	8.4	India's Foreign Trade Policy since 1991 Features, Trends and Evaluation.	

Recommended Books :

- 1) Dr.D.M.Mithani – International Economics (Himalaya Publishing house ltd)
- 2) Z.M.Jhingan : International Economics (Vrinda Publication)
- 3) Dr.Mrs.Nirmal Bhalerao & S.S.M.Desai – International Economics (Himalaya Publishing house ltd)
- 4) Deminic Salvatove – International Economics
- 5) Francis Cherulliom - International Economics (Prentice hall)
- 6) L.M.Bhole – Financial Institutions Markets (Tata McGraw Hill)
- 7) H.R.Macharaju – International Financial Markets and India (Wheeler Publication)
- 8) RBI Report on Currency Finance

Magazines / Journals , Reports, Websites