

VEER NARMAD SOUTH GUJARAT UNIVERSITY

T.Y. B.A.

PAPER III

INTERNATIONAL ECONOMICS

Module I : Importance of Trade and Trade Theories

Importance of the study of international economics, inter regional and international trade, Theory of absolute advantage, Comparative advantage and opportunity cost, Heckscher – Ohlin Theory of Trade- It's main features, assumptions and limitation.

Module II : Gains from Trade

Gains from trade, Their measurement and distribution, Trade as an engine of economic growth, Concept of terms of trade and their importance in the theory of trade, Doctrine of reciprocal demand, Its importance and limitation in the theory of trade.

Module III : Tariffs and Quotas

Types tariffs and quotas, their impact in partial equilibrium analysis, free trade vs Protection Concepts of optimum tariffs.

Module IV : Balance of Trade and Balance of Payments

Concepts and components of balance of trade and balance of payments, Equilibrium and disequilibrium in balance of payments, Consequences of dis equilibrium in balance of payments, various measures to correct Deficit in the balance of payments, Relative merits, Demerits and limitation of Devaluation, Problem of International Liquidity and IMF.

Module V : Exchange Rate Determination

Exchange Rate – Theory of exchange rate determination –Mint Parity, Purchasing Power Parity and Balance of Payment Theory.

Reference:

1. Kenan P.B (1994) The International Economy, Cambridge University Press, London.
2. Kindleberger C.P (1973), International Economy, R.D.Irwin, Homewood.
3. Krugman P.R and M.Obstfeld (1994) , International Economics : Theory & Policy, Glenwin, Foreman.
4. Salvatore D.L (1997), International Economics, Prentice Hall, Upper Saddle River, N.J.
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6. Aggrawal M.R (1979), Regional Economic Co Operation in South Asia, S Chand & Co.New Delhi.
7. Bhagwati J (Ed) (1981), International Trade, Selected readings, Cambridge University Press, Mass.
8. Crockett A (1982) International Money, Issue & Analysis ,ELBS and Nelson, London.
9. Greenaway , D (1983), International trade policy, Macmillan Publisher Ltd , London.
10. Heller H.R (1968) , International Monetary Economics, Prentice Hall , India.
11. Joshi V and M.D.Little (1998), India's Economic Reforms, 1999-2001, OUP, Delhi.
12. Nayyar D (1976) India's Export and Export Policies in the 1960s, Cambridge University Press, Cambridge.
13. Panchmukhi V.R (1978) , Trade Policies of India : A Quantitative Analysis, Concept Publishing Co. Delhi.
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