

**II YEAR BA**  
**INTERNATIONAL ECONOMICS**  
**Syllabus**

**Module I**

**Theory of International Trade-** Distinction between internal and International Trade – Theory of Absolute Advantage- Theory of Comparative Advantage – Hecksher Ohlin Theory- Leontief Paradox Samuelson’s Factor Price Theorem- Terms of Trade- Meaning and concepts – Factors determining Terms of Trade

**Module 2**

**Trade and commercial policy** – Trade Policy- Free Trade – Arguments for and against- Protectionist policy – Arguments for a against – Tariffs and quotas – Types, effects of tariffs and quotas- EEC and the customs union – GATT and WTO- MNCs

**Module 3**

**International Monetary System** – International Monetary Theory – The market for foreign exchange- Fixed and flexible exchange rates-Merits and demerits- Purchasing Power Parity Theory – Balance of Payments – Adjustment mechanism – Monetary measures, Trade measures and other measures – IMF, IBRD.

**Module 4**

**The New International Economic Order and Foreign Trade** – SAARC – India’s Foreign Trade – Trends, compositions and direction – The role of EXIM Bank – Import and export Policy- Trade policy Indian Government.

**Module 5**

**Foreign Trade and Foreign Aid** – Role of foreign capital and foreign aid – Types of foreign capital – Factors determining foreign capital

**Reference Books**

International Economics – K P M Sundaram

Theory of International Trade – H R Krishna Murthy

International Economics – M Madaiah

International Economics – Vasanth Desai

Theory of International Trade – Kindle Berger