



RURAL INSTITUTE OF HIGHER STUDIES, (RIHS),BHOGRAI-2021-22

Add-on-Course

(INTERNATIONAL ECONOMICS)



DEPARTMENT OF ECONOMICS

**RURAL INSTITUTE OF HIGHER STUDIES,
BHOGRAI, BALASORE-756036**

COURSE OBJECTIVES:-

- 1.To understand theories of International Trade that provide the basic frame work for the understanding of the subject.
- 2.To explain commercial trade policies related to the principles of foreign trade.
- 3.To analyse the gains from trade, terms of trade , changing patterns of trade and the income distributional consequences of liberalising foreign trade .
- 4.To evaluate important developments related to foreign exchange rate , trade policy , economic integration, balance of payments and monetary systems in the Global Economy.
- 5.To study how economic, social and political importance of international trade has been on the rise in the current century although it has been present throughout much of history.

LEARNING OUTCOMES:-

The study of I.T. aims to prepare students for a prominent and innovative place in domestic field and abroad. It is a broad concept and integral part of global economy for which the students specialised in the field of I.T. easily qualify to enter labour market. The International Trade specialization qualifies the students to reach high levels of knowledge of communication at the enterprise , customer and international level. The students studies all the basic theories of the foreign trade, operational skills for actual work in foreign trade. Thus it will benefit domestic and international business and trade. The learners will get acquainted with important concepts in international marketing, the most important of which are for large institutions and relate to the tasks of managers and employees in different departments who often prefer to be graduates of the faculties of economics trade and administration.

DURATION:- The entire course will be of rigorous three months. The classes will be taken on off-hours. €There will be 48 classes to cover the course. Each class will be of one and half hour duration.

ATTENDANCE:- 75% attendance is mandatory.

CERTIFICATE:-“Certificate of Participation” will be given to each student having 75% of attendance and after the final assessment.

COURSE STRUCTURE

UNIT-1:- IMPORTANCE OF TRADE AND TRADE THEORIES

Importance of the study of international economics ;Inter regional and international trade ;Theories of trade-Absolute advantage(Adam Smith), Comparative Advantage(David Ricardo);Heckscher-Ohlin Theory of trade- its main features , assumptions and limitations (Leontief Paradox) (12 classes)

UNIT-2:-TRADE POLICY AND INTERNATIONAL ECONOMIC INSTITUTIONS

Concepts of terms of trade and their importance; from trade ;Trade as an engine of growth, Tariffs and quotas –their impact in partial equilibrium analysis ;Functions of IMF and the role of IMF in international liquidity, Reforms for the emergence of international monetary system; world bank and WTO; Their achievements and failures; Their role from the point of view of India. (16 classes)

UNIT-3:-EXCHANGE RATE

Concept and types of Exchange Rate(bilateral vs. Trade-weighted exchange rate, cross exchange rate , spot , forward)Demand for and supply of foreign exchange, Exchange rate determination :Mint Parity Theory , Purchasing Power Parity Theory, Fixed vs. Flexible exchange rate. (10 classes)

UNIT-4:- BALANCE OF TRADE AND PAYMENTS.

Concepts and components of Balance of Trade and Balance of payments; Disequilibrium in balance of payment; various measures to correct deficit in BOPs (Expenditure switching and expenditure reducing policies , direct control), Depreciation Vs. Devaluation ; Foreign Trade Multiplier- concept and implications (10 classes)

References

Das G.N. (2011) International Economics, Kalyani Publishers, Ludhiana

Tandon A. (2018)-International Economics-Kalyanai Publishers , Ludhiana

Jain T.R.(2022)-International Economics-Global Publications Limited, New Delhi.

Bo Soderstein (1970)International Economics, Red Globe Press, London

Bo Soderstein (1969)Tariffs and Trade in General Equilibrium, American Economic Review.

Acharya R, International Economics Oxford