

## **DEPARTMENT OF HUMANITIES & SOCIAL SCIENCES**

**Programme: B. Tech (Minor in Economics)**

**Course Title: International Economics**

**Course Category: Minor**

**Course Code: HSME 401**

**Credits: 3 (L-3)**

**Semester: 7<sup>th</sup>**

**Course: Objectives**

**Internal: 50 Marks**

**Theory: 50 Marks**

**Total: 100 Marks**

**Time: 3hrs**

This course develops aims to develop the insight of students regarding the composition, direction, and consequences of international trade, and the determinants and effects of trade policy. It also aims to acquaint the students about the international finance and its implications in open economic economy.

### **Instructions for Examiner**

The number of questions to be set will be five, at least one from each unit. The examinees will be required to attempt all five questions. All questions shall carry equal marks.

### **Unit I**

Introduction: What is international economics about? Theories of International Trade: The Ricardian, specific factors, and Heckscher-Ohlin models; new trade theories; the international location of production; firms in the global economy - outsourcing and multinational enterprises.

### **Unit II**

Trade Policies and International Negotiations Instruments of Trade Policy: Tariff and Non - tariff barriers, cost and benefit analysis of tariff, Effective rate of protection and welfare arguments of tariff and developing countries; Trade institutions, Trade facilitating measures, SPS and TBTs.

### **Unit III**

Exchange Rates and Exchange Rate Systems; Balance of Payment and its equilibrium from Indian perspective. Composition and direction of India's trade.

### **Unit IV**

Financial globalization and global crises; Foreign direct investment- theories and present status, Economic migration, India in the World economy.

### **Course Outcomes**

The students would be able to understand the dynamics of global economy and economic rationality of the trade and investment behavior of the global economy. The course would also familiarize the students about real behavior of India's Balance of payment and sensitize them for its effective management.

### **Suggested Readings**

1. Salvatore-International Economics-8th Edition
2. JagdishBhagwati, T.N. Srinivasan: Lectures on International Trade, MIT Press
3. W. M. Corden Trade Policy and Welfare, Clarendon Oxford.
4. Handbook of Development, Trade & WTO: World Bank Publications.
5. Paul Krugman and Maurice Obstfeld: International Economics, 10th Edition: Pearson