

Course Code	Course Title	L	T	P	C
BHUM206L	International Economics	3	0	0	3
Pre-requisite	NIL	Syllabus version			
		1.0			
Course Objectives					
<ol style="list-style-type: none"> 1. To understand trade related concepts and their applications in international trade 2. To understand the importance and role of foreign capital and foreign exchange for the economic development of the nations 3. To understand the nature of trade related issues and its solutions 					
Course Outcomes					
<p>Upon successful completion of the course students will be able to</p> <ol style="list-style-type: none"> 1. Comprehend the concepts of international economics through the nature of trade issues and the importance of international cooperation. 2. Assess the importance of international trade and its contribution to economic development and growth. 3. Ascertain the basics of international trade theories and the role of factor movement at the global level. 4. Examine the essence of foreign capital flow, foreign exchange reserve and the method of exchange rate determination. 5. Review trade policies for trade promotion and trade restriction. 6. Analyse the importance and impact of balance of trade and balance of payment in the national economy. 					
Module:1 Trade and Economy					4 hours
Introduction to International Economics – Subject matter - Internal trade and International Trade – Current International Economic problems and challenges – Categories of Economies - Global Economic Integration – New Economic Policy.					
Module:2 International Trade and Economic Development					5 hours
Introduction – Importance of trade and development – Terms of trade and economic development – trade problems and economic development – Foreign debt and economic development – Export instability and economic development.					
Module:3 Theories of Trade					4 hours
Comparative cost theory – Hicksian theory of trade - Factor endowment theory – International factor movement - gains from trade.					
Module:4 Trade Policies and Regional Co-operation					6 hours
Trade promotion: export promotion, Export subsidies, and Custom union – Export Oriented Units (EOU) – Special Economic Zones (SEZ) - Trade restriction: Tariff and Quota – Effects of Tariff and Quota - Import substitution – Dumping – World Trade Organization (WTO) - Regional economic co-operation (ASEAN, NAFTA, EU, and SAARC).					
Module:5 Capital Flow					9 hours
Foreign capital – Foreign Direct Investment (FDI) - FDI policy in India - FDI Cap-reforms – initiatives - Foreign Investment Promotion Board (FIPB) and Foreign Portfolio Investment (FPI) – FDI in retailing – world investment reports, IMF reports - International Financial Institutions – (World Bank, UNCTAD, International Monetary Fund, Asian Development Bank) – Financial crisis.					
Module:6 Foreign Exchange					9 hours

Foreign exchange market: Meaning, functions – risks - IMF classification of exchange rate – IMF AREAER Report - Rate of exchange: Determination – Effects – Fixed, Flexible and Floating exchange rate - exchange rate models – Foreign exchange reserve - exchange rate risk (case studies of Indian IT industries) - risk management – Currency Crises - Currency Wars.			
Module:7	Balance of Payment	6 hours	
Balance of trade – meaning - favorable and unfavorable - Balance of payment – meaning – favorable and unfavorable – current account and capital account – Disequilibrium in balance of payment – measures to correct disequilibrium.			
Module:8	Contemporary Issues	2 hours	
		Total Lecture Hours	45 hours
Text Book(s)			
1.	Paul R. Krugman, Maurice Obstfeld and Marc J. Melitz (2017), International Economics.11 th Edition, Pearson Education.		
2.	Francis Cherunilam (2020), International Economics. 6 th Edition, Tata MC Graw Hill Companies, New Delhi.		
Reference Books			
1.	Dominick Salvatore (2021), International Economics. 13 th Edition, John. Wiley and Sons, Inc.		
2.	Hendrik Van Den Berg (2016), International Economics. 3 rd Edition, Taylor & Francis.		
3.	James Rickards (2012), Currency Wars: The Making of the Next Global Crisis, Penguin Books.		
Mode of Evaluation: CAT, Quiz, Assignment and FAT.			
Recommended by Board of Studies		23-02-2023	
Approved by Academic Council	No. 69	Date	16-03-2023