

VI. CORE COURSE -C 10:

(Credits: Theory-05, Tutorial-01)

Marks : 25 (MSE: 1Hr) + 75 (ESE: 3Hrs)=100**Pass Marks (MSE + ESE) =40*****Instruction to Question Setter for******Mid Semester Examination (MSE):***

There will be **two** group of questions. **Group A is compulsory** and will contain five questions of **very short answer type** consisting of 1 mark each. **Group B will contain descriptive type** six questions of five marks each, out of which any four are to answer.

End Semester Examination (ESE):

There will be **two** group of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2 will be short answer type** of 5 marks. **Group B will contain descriptive type** six questions of fifteen marks each, out of which any four are to answer.

Note: There may be subdivisions in each question asked in Theory Examinations.

INTERNATIONAL TRADE**Theory: 75 Lectures; Tutorial:15 Lectures****Course Description**

In the economic situation trade is becoming very important. The objective of this course is to introduce the students various theories of international trade, gains from trade, tariff and quota balance of payments and the role of multilateral agencies.

1. Importance of Trade and Trade theories

Importance of the study of international economics; Inter-regional and international trade; Theories of absolute advantage, comparative and opportunity cost; Heckscher – Ohlin Theory of trade – its main features, assumptions and limitations

2. Gains from Trade

Gain 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;

3. Tariffs and Quotas

Types of tariffs and quotas; their impact in partial equilibrium analysis; Free trade and policy of tariffs in relation to economic growth with special reference to India; Concept of optimum tariff.

4. Balance of trade and Balance Payments and multilateral agencies

Concepts and components of balance of trade and Balance of Payments; Equilibrium and disequilibrium in Balance of Payments; Consequences of disequilibrium in Balance of Payments; Various measures to correct deficit in the Balance of Payments; Relative merits, demerits and limitations of devaluation; Concept and implication of foreign trade multiplier, Functions of IMF, World Bank and GATT/WTO

Basic Readings:

- ☐ Baghwati.J.N.(ed); International Trade, Selected Readings ,Cambridge University Press.
- ☐ Kirdleberger; International Business
- ☐ Paul R krugman, Maurice Obsfeld: International Economics ,Theory& Practice ,(Peason)