

DISCIPLINE SPECIFIC ELECTIVE COURSE 9 (DSE-9): International Economics

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
International Economics (DSE 9)	4	3	1	0	Class 12	None

Learning Objectives

The course aims at:

- To explain ancient view of International trade and production and consumption gains from trade
- To analyse the working of H-O theory and new trade theory
- To understand the international trade policies and its impact on trade
- To Understand the functioning of WTO and its implications for India.

Learning outcomes

By studying this course, the students will be able to:

- Understand basic theories of International Trade and the terms used therein.
- Understand trade policies and instruments used to control international trade.
- Understand what is WTO and how does it affect international trade?
- Understand various concepts related to Regionalism and Integration and their importance.

SYLLABUS OF DSE-9

Unit 1: International Trade Theories

(12 hours)

International trade as an Engine of Growth, Ancient view of International Trade, Theory of Mercantilism, Absolute Advantage theory, Comparative Advantage Theory, Opportunity cost theory of trade, Autarky Equilibrium, Production and Consumption Gains from Trade.

Unit 2: Modern Theories of Trade

(12 hours)

Introduction, H-O theory- Assumptions, General Equilibrium framework, the working of H-O theory, Factor price equilibrium theorem, Income Distribution effects of H-O theory, Empirical implications of H-O theory, Leontief Paradox, Factor Intensity Reversal, New trade theories (Difference in technology, Economies of Scale and Monopolistic Competition and Trade)

Unit 3: International Trade Policies and Practices

(12 hours)

Trade Policy Instruments, Tariffs Barriers, Import Tariff- It's effect and measurement, Non-Tariff Barriers- Import Quotas, Voluntary Export Restraints, Anti-Dumping, Economic Integrations, Regional groups – EU, NAFTA and SAARC/ ASEAN, Theory of Customs Union - Impact of customs union on trade- trade creation and diversion. Import Substitution and Export Promotion.

Unit 4: WTO and Trade

(9 hours)

What is WTO, Objectives, Principles, Areas of Function of WTO, Role of WTO in trade, Foreign Trade Policy of India, The Sanitary and Phyto Sanitary Agreement (SPS) of WTO and Its Implications for India, India & World Trade Organization (WTO): WTO Agreement on Agriculture.

Essential/recommended readings

1. Salvatore, D. (Edition 2008) , International Economics, Pearson Education : New Delhi
2. Krugman Paul R. & Obstfeld M. (2013) : International Economics:- Theory and Policy (IXth Edition), Pearson Education , New Delhi.
3. Cherunilam Francis (1998) :International Economics (Vth Edition), McGraw Hill Education (India) Pvt Ltd.
4. WTO and its implications on Indian Agriculture, National Institute of Agricultural Extension Management (MANAGE), Hyderabad.

Additional References:

1. Appleyard Dennis R.; Cobb Steven; Field Alfred J. (2010). International Economics (Vth Edition), McGraw Hill Education (India) Pvt Ltd.
2. Thompson, Henry(2010): International Economics – Global markets and competition 2nd Edition Singapore; Hachensack, N.J: World Scientific.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.