



**Economics Special Paper III**  
**International Economics**  
**[Discipline Specific Course]**

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|--------------------|--------------------|-----------------------------|---------------------|
| <b>Semester: V</b> | <b>Credits: 4*</b> | <b>Subject Code: A52209</b> | <b>Lectures: 48</b> |
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**Course Outcomes:**

At the end of the course, the learner will be able to

- Understand the basic economic concepts related to International Trade and International Business along with their relevance in the globalised economic structures.
- Compare and evaluate the theories of International Trade.
- Hone their problem solving skills through application based learning of concepts like Terms of Trade.
- Critically examine Trade Policy and its implications.
- Discuss and analyze the role and effects of International Resource Transfers.

**Unit 1: International Economics-An Overview**

**12**

- International Economics- Meaning, Scope & Importance
  - Inter-regional and International Trade- distinction and similarities
  - Importance of International Trade
  - International Trade as an engine of Economic Growth
- Globalization and International Trade Flows
  - Globalization and International Business
  - Factors affecting Global Competitiveness in the context of International Trade

**Unit 2: Theories of International Trade**

**12**

- Theory of Absolute Cost Advantage
- Theory of Comparative Cost Advantage
- Heckscher-Ohlin Theory
- Intra-Industry Trade
- Product Life Cycle & Technological Gap Models of International Trade
- North-South Trade and the Global Environment

**Unit 3: Terms of Trade and Trade Policy**

**12**

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| <ul style="list-style-type: none"> <li>● Terms of Trade           <ul style="list-style-type: none"> <li>○ Concept of Terms of Trade</li> <li>○ Types and Measurement - Net Barter Terms of Trade, Gross Barter Terms of Trade, Income Terms of Trade,</li> </ul> </li> <li>○ Importance and Determinants of Terms of Trade</li> <li>○ Causes of unfavorable Terms of Trade for developing countries</li> <li>● Free Trade Policy –Meaning, case for and against Free Trade</li> <li>● Protection Policy – Meaning, case for and against Protection Policy</li> <li>● Tariffs and Quotas- Meaning and Types</li> </ul> |  |
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| <b>Unit 4: International Resource Transfers</b>  | <b>12</b> |
| <ul style="list-style-type: none"> <li>● Foreign Capital Flows-Meaning and Types</li> <li>● Role of MNCs, Problems of MNCs</li> <li>● Foreign Aid-Tied and Untied Aid</li> <li>● International Labor Migration           <ul style="list-style-type: none"> <li>○ Meaning of International Labor Migration</li> <li>○ Types of International Labor Migration</li> <li>○ Reasons for International Labor Migration</li> </ul> </li> <li>● Brain Drain and Brain Gain</li> </ul> |           |

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.

\* Semester V and VI - DSE 3+1 = One credit is for Research Project/field visit/ or any other subject centric activities to be taken by the students in consultation with the concerned teacher.

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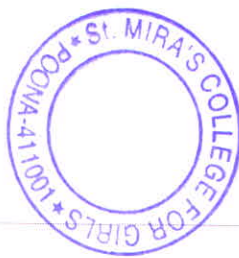
**Recommended Basic Reading:**

- Agarwal A. N. *Indian Economy-Problems of Development and Planning*;
- Cherunilam, F. *International Economics*, Tata McGraw Hill, N.Delhi; 2013
- Datt, G and Mahajan, A. Datt & Sundaram's *Indian Economy*; S. Chand & Co. Ltd. N.Delhi. 2020
- Misra, S.K. & Puri, V. K. *Indian Economy*. Himalaya Publishing House: Mumbai; 2019
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- Shrivastava, O.S. *International Economics*. Kalyani Publishers.
- Sodersten Bo. *International Economics*. The MacMillan Press Ltd; London: 1991.
- डॉ. शंकर मोडक (१९९९): *आंतरराष्ट्रीय अर्थशास्त्र*: विद्या प्रकाशन
- डॉ. जी. एन. झामरे (१९९९) *आंतरराष्ट्रीय अर्थशास्त्र*: पिंपळापुरे अँड कंपनी पब्लिशर्स
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- डॉ. राजेंद्र रसाळ (२०१६) *आंतरराष्ट्रीय अर्थशास्त्र*: सक्सेस पब्लिकेशन
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- Kindleberger C.P. *International Economics*; R.D. Irwin Homewood: 1984
- Krugman P.R. and Obstfeld Maurice. *International Economics –Theory and Policy*, Addison Wesley Longman (Ind) Delhi:
- Lindert Peter, H. *International Economics*, Richard Irwin Inc.: 1987
- Meade James; *The Theory of International Economic Policy* Vol I & II, Oxford
- Sodersten Bo, Geoffery Reed - "International Economics", 3<sup>rd</sup> ed. Macmillan
- Van Marrewijk - "International Trade and The World Economy", latest ed.

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St. Mira's College for Girls, Pune  
(TYBA 2022-2025)

**Journals & Periodicals:**

- Foreign Trade Review- Indian institute of Foreign Trade-relevant issues accessible from <https://journals.sagepub.com/home/ftt>
- Economic & Political Weekly-relevant issues accessible from <https://www.epw.in/>

**Websites:**

- <https://www.epw.in/>
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- <https://www.jstor.org/>

**Reports:**

- Global Competitiveness Reports: World Economic Forum relevant issues accessible from <https://www.weforum.org/reports/>
- World Development Report: World Bank relevant issues accessible from <https://www.worldbank.org/en/publication/wdr>
- World Economic Outlook: IMF relevant issues accessible from <https://www.imf.org/en/Publications/WEO>

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|---------------------|--------------------|-----------------------------|---------------------|
| <b>Semester: VI</b> | <b>Credits: 4*</b> | <b>Subject Code: A62209</b> | <b>Lectures: 48</b> |
|---------------------|--------------------|-----------------------------|---------------------|

**Course Outcomes:**

At the end of the course, the learner will be able to

- Understand the basic economic concepts related to Balance of Payments and their relevance in the Indian context
- Comprehend aspects of the foreign exchange market, analyze and compare the theories and systems of foreign exchange, evaluate India's foreign exchange rate policy
- Recognise, understand and critically examine the patterns of regional cooperation, alignments among nations and their implications
- Understand the global trade and monetary regulatory framework and analyse its relevance in the Indian context

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| <b>Unit 1: Balance of Payments</b>  | <b>12</b> |
| <ul style="list-style-type: none"> <li>● Balance of Payments <ul style="list-style-type: none"> <li>○ Meaning and Composition</li> <li>○ Balance of Trade</li> <li>○ Current Account and Capital Account</li> <li>○ Autonomous and Accommodating Transactions</li> <li>○ Equilibrium and Disequilibrium in Balance of Payments</li> <li>○ Causes of Disequilibrium in Balance of Payments</li> <li>○ Types of Disequilibrium in Balance of Payments</li> <li>○ Methods to correct the Disequilibrium in Balance of Payments</li> </ul> </li> <li>● India's Balance of Payments position since 1991</li> </ul> |           |
| <b>Unit 2: Foreign Exchange</b>   | <b>12</b> |

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| <ul style="list-style-type: none"> <li>● Foreign Exchange             <ul style="list-style-type: none"> <li>○ Meaning and Types of Foreign Exchange Rate</li> <li>○ Meaning and Functions of Foreign Exchange Market</li> <li>○ Demand for and Supply of Foreign Exchange</li> <li>○ Factors influencing Foreign Exchange Rate</li> <li>○ Theories of Foreign Exchange Rate Determination</li> </ul> </li> <li>● Purchasing Power Parity Theory of Foreign Exchange Rate</li> <li>● Balance of Payments Theory of Foreign Exchange Rate</li> <li>● Fixed Exchange Rate System             <ul style="list-style-type: none"> <li>○ Meaning</li> <li>○ Advantages and Disadvantages</li> </ul> </li> <li>● Flexible Exchange Rate System             <ul style="list-style-type: none"> <li>○ Meaning</li> <li>○ Advantages and Disadvantages</li> </ul> </li> <li>● India's Foreign Exchange Rate Policy</li> <li>● Convertibility of Indian Rupee</li> </ul> |  |
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| <p><b>Unit 3: Regional Cooperation and Emerging Economies</b></p>   | <p><b>12</b></p> |
| <ul style="list-style-type: none"> <li>● Regional Cooperation             <ul style="list-style-type: none"> <li>○ Meaning of Regional Cooperation</li> <li>○ Forms of Regional Cooperation</li> <li>○ Benefits of Regional Cooperation</li> <li>○ Problems of Regional Cooperation</li> </ul> </li> <li>● European Union [EU]             <ul style="list-style-type: none"> <li>○ Emergence of European Union</li> <li>○ Euro as a common currency</li> <li>○ Current status of EU as an Economic Union</li> </ul> </li> <li>● SAARC             <ul style="list-style-type: none"> <li>○ Principles and Objectives</li> <li>○ Prospects for cooperation in future</li> <li>○ India and SAARC</li> </ul> </li> <li>● ASEAN</li> <li>● Emerging Economies             <ul style="list-style-type: none"> <li>○ BRICS, BRICK and BRIMC</li> <li>○ BRICS Bank</li> </ul> </li> </ul> |                  |

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| <b>Unit 4: Trade and Monetary Framework governing Global Trade</b>   | <b>12</b> |
| <ul style="list-style-type: none"><li>● GATT<ul style="list-style-type: none"><li>○ Objectives and Functions of GATT</li></ul></li><li>● WTO<ul style="list-style-type: none"><li>○ Objectives and Functions of WTO</li><li>○ Agreements under WTO</li></ul></li><li>● Agreement on Agriculture</li><li>● TRIPs</li><li>● TRIMs</li><li>● GATS</li><li>● WTO and India</li><li>● IMF<ul style="list-style-type: none"><li>○ Objectives and Functions of IMF</li><li>○ Criticism of the working of IMF</li><li>○ IMF &amp; India</li></ul></li><li>● World Bank<ul style="list-style-type: none"><li>○ Objectives and Functions of World Bank</li><li>○ Criticism of the working of the World Bank</li><li>○ World Bank &amp; India</li></ul></li></ul> |           |

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- <https://www.europa.eu>
- <https://imf.org>
- <http://infobrics.org/>
- <https://www.jstor.org/>
- <https://www.saarc.org>
- <https://journals.sagepub.com/home/ftt>
- <https://www.worldbank.org>

**Reports and Bulletins:**

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- World Economic Outlook: IMF relevant issues accessible from <https://www.imf.org/en/Publications/WEO>

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| Chairperson (HoD)             | Dr. Manisha Pimpalkhare | <i>Manisha Pimpalkhare</i><br>12/12/21 |
| Faculty                       | Dr. Shalini Iyer        | <i>Shalini Iyer</i><br>12/12/21        |
| Faculty                       | Dr. Meenal Sumant       | <i>Meenal Sumant</i><br>12/12/21       |
| Subject Expert (Outside SPPU) | Dr. Subhash Patil       | <i>Subhash Patil</i><br>12/12/21       |
| Subject Expert (Outside SPPU) | Dr. Manjushree Bobade   | <i>Manjushree Bobade</i><br>12/12/21   |
| VC Nominee                    | Dr. Saili Belsare       | <i>Saili Belsare</i><br>12/12/21       |
| Industry Expert               | Dr. Girija Lagad        | <i>Girija Lagad</i><br>12/12/21        |
| Alumni                        | Ms. Suchismita Mohanty  | <i>Suchismita Mohanty</i><br>12/12/21  |

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