



FIRST SEMESTER 2015-2016

Course Handout (Part II)

Date:03/08/2015

In addition to part I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

Course No. : ECON F311
Course Title : International Economics
Instructor-in-charge : Dr. Geetilaxmi Mohapatra

1. Scope and objective of the course:

The objective of the course is to impart an understanding of the bases of trade, gains from trade, trade policy, the dynamics and adjustment in the balance of payments. This could help students move beyond recognition and towards an understanding to current and future international events during the days of growing internationalization of economic activity.

2. Text Book :

Salvatore, D, International Economics, WSE, 10th Ed, 2012.

3. Reference Books :

- R1. H G Mannur, International Economics, Vikas Publishing House Pvt Ltd, Second Edition, 1999
R2. Paul R. Krugman and Maurice Obstfeld, "International Economics: Theory & Policy," Addison wesley, 8th Ed. 2008.

4. Course Plan:

No. of Lectures	Learning Objectives	Topics	Ref. (TB)
1	Introducing the concepts of international economics	The International Economics and Economic theory	Ch.1
1	Basics of International Trade	Early Trade Theories	Ch.2
2	To introduce the concepts of opportunity cost in trade, basis of trade and gains from trade	The Law of Comparative Advantage	Ch.2
2	Basis for and gains from trade with increasing costs	The Standard Theory of International Trade	Ch.3
1	The Basis for trade and gains from trade restated	Demand and Supply, Offer Curves and the terms of Trade	Ch.4
1	Advanced tool of international trade	Edgeworth Box Diagram & the Production possibility Frontier	Ch.3
5	To investigate the basis of comparative Advantage and trade	Factor Endowments and the Heckscher - Ohlin (H-O) Model	Ch.5
3	To analyze the economics of scale, imperfect competition and intra-in dusty trade models	Modern theories of International trade	Ch.6
2	To analyze the impact of growth on trade and to discuss the issue of income distribution	Economic growth , Income distribution and International Trade	Ch.7 Notes





3	The theory of tariff structure, rate of effective protection and Stolper - Samuelson theorem	Trade restrictions: tariffs	Ch.8
2	To discuss. Import quota, Export Barriers, Export subsidies, and dumping	Non tariff Trade Barriers and protectionism	Ch.9
1	To compare the tariff and Non-tariff barriers of trade	Quota versus Tariff	Ch.9
2	Trade creation, trade diversion and theory of second best	Economic integration: custom union and free Trade Areas	Ch.10
1	Trade and Development	International Trade and Economic Development	Ch.11
2	To study the motives of direct foreign Investment and Reasons for the existence of MNCs.	International resource Movements and Multinational Corporations	Ch.12 Notes
1	To introduce the concepts of accounts to international transactions	Balance of Payments: Concepts and Definitions	Notes
2	Determination of exchange rates	Exchange Rate Determination	Ch.15
3	Exchange rate adjustment mechanism	The Price Adjustment Mechanism with Flexible and Fixed Exchange Rate	Ch. 16
2	To study the dynamics of open economy macroeconomics	Income Adjustment Mechanism and Synthesis of automatic adjustment mechanism	Ch.17
2	To discuss the impact of various economic policies on open economy macroeconomics: Mundell - Fleming Model	Open Economy Macroeconomics: Adjustment Policies	Ch.18
2	To Introduce the current issues of international trade and balance of payment	The Euro, Capital Account Convertibility, SAARC, SAPTA.	Notes

5. Evaluation Scheme

S. No.	Component	Weightage(%)	Date and Time	Duration	Remark
1	Mid Term Test	30	5/10 8:00 - 9:30 AM	90 min	CB
2	Continuous Evaluation / Assignment	25			CB
3	Comprehensive Examination	45	1/12 FN	3 Hrs	Partly OB

6. Chamber Consultation Hours: To be announced in class.

7. Notice concerning this course will be displayed on the **Economics & Finance Group** Notice Board.

8. **Make-up Policy:** Make-up will be granted only on genuine grounds and if prior permission is taken. No application will be accepted in the Exam Hall.

Instructor-in-charge
ECON F311

