

BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE – PILANI
HYDERABAD CAMPUS
FIRST SEMESTER: 2016-17
Course Handout (Part II)

Date: 01/08/2016

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. ARCHANA SRIVASTAVA
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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, 8th Ed, 2011.

3. Reference Books :

1. Feenstra, R.C. International Economics. Worth Macmillan Publishers, Latest Edition.
2. Bo O Sodersten and Geoffrey Reed, International Economics, Macmillan, Third Edition, 1994.
3. Paul R. Krugman and Maurice Obstfeld, "International Economics: Theory & Policy," Addison wesley, 8th Ed.

4. Course Plan:

No. of Lects	Learning Objectives	Topics	Ref.
1	Introduction	The International Economics and Economic theory	Ch.1 (T.B)
1	Basics of International Trade	Early Trade Theories	Ch.2 (T.B)
2	Concepts of opportunity cost in trade, basis of trade and gains from trade	The Law of Comparative Advantage	Ch.2 (T.B)
1	Basis for and gains from trade with increasing costs	The Standard Theory of International Trade	Ch.3 (TB)
2	The Basis for trade and gains from trade restated	Demand and Supply, Offer Curves and the terms of Trade	Ch.4 (T.B)
1	Advanced tool of international trade	Edgeworth Box Diagram & the Production possibility Frontier	Ch.3 (T.B) Notes
3	To investigate the basis of comparative Advantage and trade	Factor Endowments and the Heckscher - Ohlin (H-O) Model	Ch.4 (R1)

2	To analyze the economics of scale, imperfect competition and intra-in dusty trade models	Modern theories of International trade	Ch.5 (R3)
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 (T.B) Notes
4	The theory of tariff structure, rate of effective protection and Stopler-Samuelson theorem	Trade restrictions: tariffs	Ch.8 (R1)
2	Import quota, Export Barriers, Export subsidies, and dumping	Non-tariff Trade Barriers and protectionism	Ch.9 (T.B)
1	Comparison between the tariff and Non-tariff barriers of trade	Quota versus Tariff	Ch.9 (T.B)
2	Trade creation, trade diversion and theory of second best	Economic integration: custom union and free Trade Areas	Ch.10 (T.B)
2	Trade and Development	International Trade and Economic Development	Ch.11(TB)
2	Motives of direct foreign Investment and Reasons for the existence of MNCs.	International resource Movements and Multinational Corporations	Ch.12 (T.B)
2	Concepts of accounts to international transactions	Balance of Payments: Concepts and Definitions	Notes
2	Study of Foreign Exchange Markets	Foreign Exchange Markets and Exchange Rates	Ch.14 (TB)
2	Determination of exchange rates	Exchange Rate Determination	Ch.15(TB)
3	Exchange rate adjustment mechanism	The Price Adjustment Mechanism	Ch.16(TB)
2	Dynamics of open economy macroeconomics	Income Adjustment Mechanism and Synthesis of automatic adjustment mechanism	Ch.17 (T.B)
2	Impact of various economic policies on open economy macroeconomics: Mundell - Fleming Model	Open Economy Macroeconomics: Adjustment Policies	Ch.18 (T.B)
2	To Evaluate BOP Adjustments and to discuss the functions of International Monetary Institutions.	International Monetary System: Past, Present & Future	Ch.21 (T.B)

4. Evaluation Schedule:

Component	Duration	Weightage (%)	Date & Time	Remarks
Test - I	1hr	20	10/9, 10.00--11 AM	CB
Test - II	1 hr	20	22/10, 10.00--11 AM	CB
Projects/Assignments		20		

Comprehensive Exam.	3 hrs.	40	09/12 AN	20% (OB) 20% (CB)
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6. Chamber Consultation Hour: To be announced in the class.

7. Notice: All notices pertaining to this course shall be displayed on the **Economics and Finance (or) CMS Notice Board.**

8. Make-up policy: Make-up will be granted on genuine reason with prior permission

Instructor-in-Charge
ECON F311