

HSS Elective for Semester V

Issues in International Trade and Finance

Course Syllabus: Semester V

HS405	Issues in International Trade and Finance	3-0-0-6
<i>Syllabus:</i> Importance of trade in development; Mercantilist view of trade; Trade based on absolute and comparative advantage; Gains from trade and terms of trade; Trade restrictions: Tariffs, non-tariff barriers and new protectionism; Economic integration: Customs union and economic union; Multinational corporations; World Trade Organization and globalization. Balance of Payments and related concepts; Foreign exchange markets and exchange rates: Function of foreign exchange market, spot and forward rates, arbitrage, speculation and hedging, exchange rate regimes (fixed/ flexible), exchange rate determination, covered and uncovered international investments; International monetary system: Gold Standard, Bretton Woods, IMF; Present exchange rate arrangements and financial crisis.		
<i>Text:</i> 1. D. Salvatore, International Economics: Trade and Finance, 11 th Edition, Wiley, 2014.		
<i>References:</i> 1. P.R. Krugman, M. Obstfeld and M. Melitz, International Economics: Theory and Policy, 10 th Edition, Pearson Education, 2014. 2. G. Gandolfo and D. Federici, International Finance and Open Economy Macroeconomics, 2 nd Edition, Springer, 2016.		