



# SYMBIOSIS COLLEGE OF ARTS & COMMERCE

An Autonomous College | Under Savitribai Phule Pune University

Reaccredited 'A+' with 3.51 CGPA For Third Cycle By NAAC | College with Potential for Excellence

**COURSE  
TITLE**

**International Economics Trade, Theory and Policy**

**Course Learning Outcomes:**

**On successful completion of the course students will be able to:**

1. To gain conceptual clarity of the theoretical aspects, foundations and principles of International Economics.
2. To examine the broad pattern of changes in the arena of International Economic Policy and the evolving Global Economic environment.
3. To comprehend the complexities of theories, problems and policies in International Economics.
4. To gain fundamental exposure to the role, structure and functioning of international institutions/organizations

**Gist of this  
course in  
maximum 3  
to 4 lines**

Students are able to critically explore issues and policies in International Economics and are equipped to apply theoretical principles of international trade to the prevailing global economic environment. Students are imbued with skill sets to comprehend the critical issues involved in framing and implementation of international trade policies

**Detailed syllabus**

<b>Unit</b>	<b>CONTENTS OF THE COURSE</b>	<b>No. of Lectures</b>
<b><u>1.</u></b>	<p><b>Theories of International Trade : An Introduction</b></p> <p>1.1 Globalization of the World Economy, Deglobalization,</p> <p>1.2 The Mercantilist Views on Trade</p> <p>1.3 The Theory of Absolute Cost Advantage &amp; The Theory of Comparative Cost Advantage</p> <p>1.4 Two-by-Two-by-Two Sector Model</p> <p>A critical review is carried out regarding the assumptions, principles, limitations and comparison of the early trade theories.</p>	<b>10</b>
<b><u>2.</u></b>	<p>Case study – Growth Story of the Southeast Asian Countries/ASEAN economies (to understand how trade has helped economy to grow) and Policies adopted by them which helped trade facilitation</p> <p><b>Modern Theories of International Trade</b></p> <p>2.1 Product Cycle Theory</p> <p>2.2 Linders Theory of Volume of Trade and Demand Pattern</p> <p>2.3 Krugman’s Alternative Theory of Trade</p>	<b>12</b>

	<p>2.4 Gravity Model</p> <p>2.5 Immiserizing growth theory Jagdish Bhagwati</p> <ul style="list-style-type: none"> <li>Assumptions, theoretical aspects, limitations and application of the modern theories in the contemporary trade scenario are discussed.</li> </ul> <p>Case Study: Trade in European Union (Gravity Model's application)</p> <p>German/USA electronic/automobile Products (Product Cycle Theory)</p>	
<b><u>3.</u></b>	<p><b>Terms of Trade and Determination of Exchange Rate</b></p> <p>3.1 Concepts and Measurement of Terms of Trade</p> <p>3.2 Factors affecting Terms of Trade of a Country</p> <p>3.3 Exchange Rate Determination</p> <p>A critical review is undertaken of the Terms of Trade of Developed and Developing nations and the applicability of the BOP and PPP Theories.</p>	<b>10</b>
<b>4.</b>	<p><b>Commercial Policy – Barriers to Trade</b></p> <p>4.1 Basic Principles of WTO</p> <p>4.2 Government Intervention in Trade</p> <p>4.3 Trade Restrictions: Tariffs and Non Tariff Barriers</p> <p>4.3 Exchange Control</p> <p>4.4 Dumping</p> <ul style="list-style-type: none"> <li>Analysis of debates regarding the imposition, reduction and removal of trade barriers especially with reference to the Developed and Asian countries are reviewed.</li> </ul> <p>Case Study: China's Trade Policy and its implications on other countries</p> <p>Case Study : EU banned India's certain agricultural products in 2017 due to excess fertilizers in it. (Non-Tariff Barriers case)</p>	<b>10</b>
<b>5</b>	<p><b>Balance of Payments and Trade Distortions</b></p> <p>5.1 Equilibrium and Disequilibrium in BOP ,Measures to correct disequilibrium</p> <p>5.2 Current and Capital Account convertibility</p> <p>5.3 Protectionism in the changing world scenario</p> <p>5.4 Role of WTO in reducing trade distortions</p> <p>5.5 Effect of Covid-19 Pandemic on Trade</p> <p>Case Studies discussed on the repercussions of global events (BREXIT, changing trade policy of USA, Fed Tapering 2013)</p>	<b>12</b>
	<b>Total Number of Lectures</b>	<b>54</b>

**Recommended Reading:**

- Salvatore Dominick (2019), International Economics, 13<sup>th</sup> Edition, John Wiley, Singapore
- Sodersten Bo. & Reed Geoffrey (1999) International Economics, 3 ed. By Macmillan London

**Suggested Reading**

- Bhatia. H L (2006) International Economics, Vikas Publishing N. Delhi.
- Carbaugh Robert (2009) International Economics, J.S.W. College Publication.
- Cherunilam Francis (2017) International Economics-By Tata McGraw Hill N. Delhi.
- Gandolfo Giancarlo (2006) Elements Of International Economics N. Delhi Abe Books Private Ltd .
- Jhingan M.L (2012) International economics-6th ed. Vrinda Publications
- Krugman Paul, Maurice Obstfeld, and Marc Melitz, (2012). International Economics: Theory and Policy, Addison-Wesley (Pearson Education Indian Edition), 9<sup>th</sup> edition.
- Krugman R. Paul, Kindersley Dorling (2009) International economics-6th ed.
- Kenneth, A.R (2012). An Introduction to International Economics, Cambridge university Press (2012)
- Suranovic Steve, (2010) International Trade: Theory and Policy, Saylor Foundation

**Suggested Journals :**

Asia Pacific Business Review

Economic and Political Weekly

Focus WTO

Foreign Trade Review

International Monetary Fund Staff Papers

The Journal of International Economics and Economic Policy

World Bank Economic Review

<https://www.journals.elsevier.com/international-economics>