HMECOP 5 International Economics

Unit I—Theories of International Trade – Neo-Classical Model of International Trade – Heckscher-Ohlin Theorem and Theory of Comparative Advantage Modern Theories of International Trade – Vent-for-Surplus Approach, Availability Approach (I.B.Kravis) – Theory of Offer Curves – elasticity of offer curve – Leontief Paradox – Stolper-Samuelson Theorem.

Unit II—The– Trade and National Income – Equilibrium level of National Income – Trade multiplier – The Foreign Exchange Market – spot and forward markets – Premiums and Discounts – Hedging – Interest arbitrage – Speculation.

Unit III—Balance of Payments – The Gold Standard: operation and collapse; Pegged Exchange rates – Exchange rates – Factor Endowments and Technical Progress – Theory of Tariffs – Theory of Customs.

Unit IV—Unions Globalization and Indian business – Financial Globalization and the 2007 – 09 Global Crises – Customs Union – E.U – BRICS.

Unit V—International Trade Policy – IMF – WTO – GATT – ADR – GDR.

References

1. Salvatore, D. (1997), International Economics, PH, N.J., New York.
2. Soderston, Bo (1991), International Economics, The Macmillan Press Ltd., London.
3. Krugman, P.R. and M. Obstfeld (1994), International Economics : Theory and Policy, Glenview, Foresman.