

**KU5DSCECO301: INTERNATIONAL ECONOMICS**

Semester	Course Type	Course Level	Course Code			Credits	Total Hours
V	DSC-Major	300-399	KU5DSCECO301			4	60
Learning Approach (Hours/ Week)			Marks Distribution			Duration of ESE (Hours)	
Lecture	Practical/ Internship	Tutorial	CE	ESE	Total		
4	-	-	30	70	100	2	

**Course Description:**

*This course provides a comprehensive understanding of the principles and complexities of international economics. It covers the nature, scope, and significance of international trade and the key theories that explain trade patterns and policies. Moreover, the syllabus introduces various analytical tools and models to understand the dynamics of international trade, foreign exchange markets, and balance of payments.*

**Course Prerequisite: NIL**

**Course Outcomes:**

CO No.	Expected Outcome	Learning Domains
1	Students will recall key concepts and theories related to international economics including traditional and modern trade theories	<b>R</b>
2	Students will explain the differences between internal and international trade and interpret various analytical tools used in international economics	<b>U,An</b>
3	Students will apply international trade theories and policies to analyse real-world trade patterns and issues.	<b>A</b>
4	Students will examine the factors contributing to balance of payments equilibrium and disequilibrium and analyse the effects of different trade policies.	<b>Analyse (An)</b>
5	Students will critically evaluate the implications of trade theories and policies on economic growth and development	<b>E,C</b>

**\*Remember (R), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C)**

**Mapping of Course Outcomes to PSOs**

CO	PSO 1	PSO 2	PSO 3	PSO 4	PSO 5	PSO 6	PSO 7

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CO 1	✓					✓	
CO 2	✓	✓	✓	✓			
CO 3	✓	✓	✓				
CO 4	✓	✓	✓				
CO 5			✓		✓	✓	

**COURSE CONTENTS**

**Contents for Classroom Transaction:**

<b>M O D U L E</b>	<b>U N I T</b>	<b>DESCRIPTION</b>	<b>HOURS</b>
		<b>INTRODUCTION TO INTERNATIONAL ECONOMICS</b>	<b>10</b>
<b>1</b>	1	International economics-Nature, scope, subject matter and importance.	3
	2	Differences between internal and international trade.	2
	3	Various tools in international theory	
		a) linear and non-linear Production Possibility curve,	2
		b) Community indifference Curve	2
		c) Offer curve	1
		<b>THEORIES OF INTERNATIONAL TRADE</b>	<b>15</b>
<b>2</b>	1	Traditional theories-	
		a) Adam smith's absolute advantage theory,	2
		b) Ricardos comparative advantage,	2
		c) Gottfried Haberle's opportunity cost theory	4
	2	Modern theories-	
		a) Theory of Reciprocal Demand	3
		b) Heckscher-Ohlin Theory and Leontief Paradox.	4
<b>3</b>		<b>TRADE RELATED POLICIES</b>	<b>15</b>

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	1	Terms of Trade – Terms of trade and its importance, classification of TOT	3
	2	Commercial policy – Free trade vs protection	3
	3	Methods of trade restrictions	
		a) Tariff barriers and non-tariff barriers	2
		b) Types of tariffs, effect of tariff	3
	c) Methods of non-tariff barriers – Quotas, Export subsidies, Voluntary Exchange restraints, international cartels, Dumping, technical, administrative and other measures.	4	
<b>4</b>	<b>FOREIGN EXCHANGE AND BALANCE OF PAYMENT</b>		<b>10</b>
	1	Foreign Exchange – Foreign exchange market and its structures.	1
	2	The foreign exchange rate fixed and flexible	1
	3	Theories of exchange rate Termination,	
		a) The Mint Parity theory	1
		b)The Purchasing Power Parity theory,	1
		c)Demand and supply analysis	1
	4	Balance of Trade and Balance of Payments	
		a) Meaning and definition	1
		b) Structure of BOP- Current account and Capital account	1
		c) Balance of payment equilibrium and disequilibrium	2
	d) Causes of disequilibrium – corrective measures- automatic and deliberate measures	2	
<b>5</b>	<b>TEACHER SPECIFIC MODULE</b>		<b>10</b>
	This module may be meant for teaching the concept of Global Value Chains, understanding how production processes are fragmented and distributed across different countries. This topic will cover the roles of various nations in different stages of production, the economic benefits and challenges of GVCs, and their impact on international trade and global economic integration.		

**Essential Readings:**

1. Rana and Verma: (2009) International Economics (Fifth edition) Vishal Publishing Co- New Delhi
2. Cherunilam Francis: 2006) International Economics (5th Edition) Tata McGraw-Hill Companies.

**Reference Distribution:**

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Module	Unit	Reference No.	Remarks
1	1	Essential Readings: 1	
	2	Essential Readings: 1	
	3	Essential Readings: 1	
2	1	Essential Readings: 1/2	
	2	Essential Readings: 1/2	
3	1	Essential Readings: 1/2	--
	2	Essential Readings: 1/2	--
	3	Essential Readings: 1/2	--
4	1	Essential Readings: 1/2	--
	2	Essential Readings: 1/2	--
	3	Essential Readings: 1/2	
	4	Essential Readings: 1/2	--

**Suggested Readings:**

1. Sodersten, Bo and Reed. G. (2005), International Economics, 3rd edition, Mc Millian Press Ltd.– International Economics.
2. Dominic Salvatore, (Recent Edition), International Economics: Trade and Finance, John Wiley and Sons, Limited.

**Assessment Rubrics:**

Evaluation Type		Marks
End Semester Evaluation		<b>70</b>
Continuous Evaluation		<b>30</b>
a)	Test Paper- 1	6
b)	Test Paper-2	6
c)	Assignment	6
d)	Seminar	6
e)	Book/ Article Review	-
f)	Viva-Voce	6
g)	Field Report	-
<b>Total</b>		<b>100</b>