

3106

UG III YEAR

ECONOMICS I

Paper I-Growth and International Economics

Objective: This paper aims to give basic knowledge of Growth and International Economics. It makes student to understand the meaning of Economic Growth and Development, determinants, different measures and theories. This paper gives exposure of theories explaining the reasons, composition and impacts of international trade to students. It also builds the understanding of trade policy and exchange rate system.

Unit I

Growth and Development

Economic Growth, Economic Development and Sustainable Development- Concepts and Definition, Factors affecting Economic Growth, Human Development Index and other Indices of Development and Quality of Life, Obstacles to Economic Development, Characteristics of a Developing Economy. Sustainable Development and SDGs. Balanced and Unbalanced Growth Theory, Harrod-Domar Growth Model.

Unit II

International Trade

Importance of International Economics, Inter-regional and international trade, Theories of International Trade, Theory of Absolute Advantage, Comparative Advantage and Opportunity Cost, Heckscher-Ohlin theory of trade.

Unit III

Terms of Trade and Gains from Trade

Doctrine of reciprocal demand, The Gains from Trade – Meaning, Potential and Actual Gain from International Trade.

The Terms of Trade – Concepts, Determination of Terms of Trade, Factors Affecting Terms of Trade, , Secular Deterioration Hypothesis. Trade as an engine of economic growth

Unit IV

Foreign Trade Policy and Barriers to Free Trade

Foreign Trade Policy – Free trade v/s Protection, Types of Tariffs and Quotas and their impact on Partial Equilibrium analysis.

Concept of Optimum tariff and Effective tariff Rate, Dumping and its Impacts. Concept of Foreign Trade Multiplier.

Unit V

Foreign Exchange and International Institutions

Foreign Exchange- Meaning, Types- Fixed v/s Flexible Exchange Rate, Forward Exchange Rates, Exchange Control- Meaning, Objectives and Methods of Exchange Control. Devaluation.

Structure and Functions of IMF, World Bank and WTO. Forms of Foreign Capital - FDI and FII and its implications. Globalisation Vs. Deglobalisation.

Basic Reading List

1. Barla C.S. and Agrawal (2012). International Economics. Laxmi Narayan Agarwal, Agra. (Hindi Version)
2. Cherunilam, F. (2008). International Economics, The Tata McGraw-Hill Companies, New Delhi. 5th Ed.
3. Jhingan M.L. (2015). International Economics, Vrinda Publications, New Delhi (English & Hindi Version)
4. Kindlberger, C. P. (1991). International Economics, R D Irwin, Homewood. 8th Ed.
5. Krugman, P.R. and M. Obstfeld (2013). International Economics- Theory and Policy, Dorling Kindersely Pvt. Ltd. Licensee of Pearson Education, New Delhi India.
6. Salvatore, D. (2014). International Economics: Trade and Finance., Jhon Wiley & Sons, Singapore.
7. Mithani, D. M. – International Economics, Himalaya Publication House, Bombay
8. Rana, K.C. and K.N. Verma (2010). International Economics, Vishal Publishing House, Ludhiana. (English & Hindi Version)
9. Sodersten, B.C. (1991). International Economics, Macmillan Press, London.
10. Swami, K. D. (2008) – International Economics, Scientific Publications, Jodhpur. (Hindi Version)
11. Vaish, M.C. and S. Singh (2000). International Economics, Oxford and I.B.H. Publishing Company Pt. Ltd., New Delhi. (Hindi Version)