

**KLE's Lingaraj College, Belagavi**  
**(Autonomous)**  
**Department of Economics**  
**B.A.: IV-Semester**  
**Subject: International Economics**  
**(w.e.f. 2017-18 and onwards)**

**SYLLABUS**

**Teaching hours per week - 5**

**Maximum Marks: 100 Marks**  
**Semester End Examination: 70 Marks**  
**Internal Assessment: 30 Marks**

**Course Outcome: (52 Hours)**

**At the end of this course students will be able to:**

1. It will enable the students to learn the fundamental theories of international economics.
2. It will provide the students to understand the international trade system and their implications for the national economy in modern days.
3. To gain the knowledge of Methods of Exchange Control, Recent changes in the composition and direction of foreign trade.
4. To inculcate understanding of Economic Integration and International Institutions.

<b>Unit</b>	<b>Content</b>	<b>No. of Hours</b>
<b>Unit I</b>	International Trade – Meaning and Importance, Distinction between Internal and International Trade; Theories of Absolute Cost Advantage and Comparative Cost Advantage; Heckscher-Ohlin Theory – Introduction.	<b>10 Hrs</b>
<b>Unit II</b>	Balance of Trade and Balance of Payments – Causes for Disequilibrium in Balance of Payments, Methods of Correcting Disequilibrium; Terms of Trade – Factors affecting Terms of Trade	<b>12 Hrs</b>
<b>Unit III</b>	Exchange Control – Methods of Exchange Control; Devaluation – Meaning and Effects of Devaluation – Devaluation of Indian Rupee; Appreciation and Depreciation of Rupee – Meaning and effects; Dumping and Anti-Dumping – Meaning – Objectives – Effects.	<b>10 Hrs</b>
<b>Unit IV</b>	Foreign Exchange – Meaning – Equilibrium Rate of Exchange, Fixed and Flexible Exchange Rates; Purchasing Power Parity Theory; Foreign Exchange Market – Structure, Functions and Methods of Payments, Spot and Forward Rate of Exchange, Hedging, Speculation and Arbitrage.	<b>10 Hrs</b>
<b>Unit V</b>	WTO - Structure, Objectives and Functions; Foreign Capital - Sources - Foreign Direct Investment (FDI) and Foreign Institutional Investments (FIIs) in India; Make in India; SAARC, BRICS- Objectives	<b>10Hrs</b>

	and Functions.	
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**Suggested Readings:**

- M.L.Seth : International Economics- Laksmi Narayan Educational Publications, Agra  
: Money Banking and International Trade - Laksmi Narayan Agarwal Educational Publications, Agra
- M.L.Jingan : International Economics – Vrinda Publications, New Delhi  
: Money Banking and International Trade - Vrinda Publications New Delhi
- A.B.N.Kulkarni  
A.B.Kalkundrikar : International Economics R.Chand & Co.  
K.P.M.Sundaram : Money Banking and International Trade – S.Chand & Co New Delhi
- B.O. Soderston : International Economics
- C.P. Kindelberger : International Economics