

B.Com. II
Semester IV
Economics Paper IV (compulsory)
International Trade and Business
Computer Code 445405
4 credits

Objectives:

- To enable students to understand the issues related to international business.
- To enable students to understand contemporary economic environment

Unit	Topic	Weight age %	Lecture s
I	Introduction to International Business a) Globalisation – Meaning, Merits and Demerits b) International Business and Domestic Business, c) International Business Environment - Economic, Cultural and Political d) Modes of Entry into International Business(In brief)	20	12
II	Theories of Trade and Commercial Policy a) David Ricardo's Comparative Cost Advantages b) Heckscher- Ohlin's Modern Theory of International Trade c) Meaning of Free trade and Protective Trade Policy; Protective devices – tariffs and non-tariff barriers : anti-dumping duties, countervailing duties, voluntary export restraint, Sanitary and Phytosanitary measures	25	15
III	International Organisation and Regional Economic Co-operation World Trade Organisation (WTO) 1. Objectives and Principles of WTO 2. TRIPS, TRIMS, GATS, Agreement on Agriculture, Dispute Settlement Mechanism 3. Forms of Regional Groupings - Preferential Trade Arrangement, Free Trade Area, Customs Union, Common Market, Economic Union.	25	15

IV	<p>Balance of Payments and Foreign Exchange Market</p> <p>a. Structure of BOP – Concepts of current & capital account, BOT & BOP.</p> <p>b. Disequilibrium in the BOP, autonomous & accommodating, transactions, causes & methods of correcting disequilibrium in the BOP (monetary & non-monetary).</p> <p>Foreign Exchange Market</p> <p>c. Functions of foreign exchange market,</p> <p>d. Determination of exchange rates:</p> <ul style="list-style-type: none"> • Balance of payment theory • Purchasing Power Parity theory. <p>e. Fixed & floating exchange rates (meaning, merits & demerits), spot rate, forward rates(concepts only)</p>	30	18
----	---	----	----

Suggested Readings

- a. Salvatore, Dominick, International Economics, Macmillan Publishing Co., Newyork.
- b. Sodestern, Bo & Reed, Geoffrey, International Economics, Macmillan Press Ltd., 2003.
- c. Mannur, H.G. International Economics – Theory & Policy Issues, Vikas Publishing House Pvt. Ltd.
- d. Mathur, Reeta, International Economics, Sublime Publications, Jaipur, 2002.
- e. Cherunillum, Francis, International Business Environment, Himalaya Publishing House, 2003.
- f. Cherunillum, Francis, Global Economy & Business Environment, Himalaya Publishing House, 2001.

Note

1. Case Studies are to be used where applicable, during teaching.
2. Recommended Project Work for Internal Assessment (Any one or similar)
 - Comparison of trade data for 2-3 countries obtained from WTO
 - Case studies of specific protective trade policy used in any country

Following skills are expected to be acquired upon project submission

1. Basic ability to interpret, analyse quantitative data
2. Use of Microsoft PowerPoint or similar package to prepare presentation
3. Ability to present project, in group or otherwise