

PAPER IX: INTERNATIONAL TRADE AND FOREIGN EXCHANGE: ONS9

- UNIT I : Meaning of trade and International trade, scope, factor price equalisation. Gains from international trade, Measuring the terms of trade- comparative cost theory, Heckscher, Ohlin approach, Evaluation.
- UNIT II : Balance of trade and balance of payments- Disequilibrium - causes, effects, remedies and measures. Balance of payments - Recent trends in India's balance of payments. Trade policy - tariff and quota, different methods and types. Custom union - Economic integration, - ECM - International monopolies.
- UNIT III : Foreign exchange - ppp theory and movements of foreign exchange rates. Foreign exchange - market-supply and demand of foreign exchange, fixed, multiple and flexible rates. Exchange rate mechanism. Monetary events since 1971. Methods of international payments. Financing of foreign trade-Ex-IM Bank and their functions.
- Unit IV : International monetary system - Organisation, objective of IMF, IBRD and affiliates their working-SDR as a

foreign exchange and its mechanism. International liquidity problem- ADB-GATT-EEC-International monetary and Trade Agreements- Capital movements and their effects - Sterling area - Euro Dollar - Petro Dollar- Trade liberalisation and regional integration.

- UNIT V: Foreign exchange transaction - sales and purchases spot and forward transactions. Nostro, Vostro and loro accounts, Rates of exchange - Selling and buying rates and their sub categories. Two way price. Blocked account. Non-resident account and non-resident external account. Payments for imports. Foreign exchange regulation in India - methods of exchange control and administrative authority.

BOOKS FOR REFERENCE:

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| 1. International Economics | : H.G.P.Srivastava |
| 2. International Economics | : Ray and Kundu |
| 3. International Economics | : K.R.Gupta |
| 4. Foreign Exchange Principle and Practice | : K.K.Andley |
| 5. Foreign Exchange and Financing of Foreign trade | : S.K.Verchese |
| 6. Industrial Economics | : Tulsi Ram Sharma & S.D. Singh Chan Lan |
| 7. International Trade and Payments | : W.W.Scammal |
| 8. International Economics | : P.T.Ellsworth |
| 9. Exchange Control | : Einzio Paul |
| 10. International Economy | : Myrdal, Gunnar |