

Elective - INTERNATIONAL TRADE AND INSTITUTIONS.

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, Thirlwall 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 payment – Trade Policy and – Tariff and quota, different methods and types – Customs union – Economic integration – ECM – International monopolies.

UNIT – III

Foreign exchange – PPP theory and movement 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 – Organization, objectives of IMF, IBRD and affiliates, their working – SDR as a foreign exchange and its mechanism, International liquidity problem – ADB – GATT – WTO – EEC International monetary and Trade Agreements – Capital movements and their effects – Sterling area – Euro Currency – Petro dollar – Trade liberalization and regional integration.

UNIT – V

Foreign exchange transaction – sales and purchase spot and forward transactions. Nostro, vostro and Lore 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 – payment for import – Foreign exchange regulation in India – Methods of exchange control and administrative authority.

Books for Reference:

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| 1. International Economics | - HGP Sriwastava. |
| 2. International Economics | - K.R.Gupta. |
| 3. Foreign Exchange principle and Practice | - K.K.Andley. |
| 4. Foreign Exchange and financing of foreign trade | - S.K.Verghese. |
| 5. International Economics | - P.T. Ellsworth |
| 6. International trade & payments | - W.W.Samuel |
| 7. Exchange Control | - Einzio; Paul. |