

Dr. BABASAHEB AMBEDKAR MARATHWADA UNIVERSITY, AURANGABAD
DEPARTMENT OF ECONOMICS
M.A. (Economics) SYLLABUS

Course Code No.: ECO-115	No. of Credits: 04	Semester: I
Course Title:	INTERNATIONAL TRADE	
Course Objectives:		
This course is designed to introduce the pure theory of trade along with a background of the Mercantilist Doctrine. It deals also with the neo classical trade theory as well as alternative explanation of trade and recent explanations in terms of technological lead. The course aims at introducing the rationale of government intervention in the form of tariffs, quotas and non-tariff barriers. It also deals with the theory of customs union.		
Unit	Course Content	Periods
I	A brief review of the Mercantilist doctrine of trade - Hume's Price Specie Flow Mechanism - Absolute and Comparative advantage theory - Production possibility curve - community indifference curve - Gains from trade offer curve	11
II	Comparative advantage in the Heckscher-Ohlin Model - Definitions of Factor abundance - factor price equalization theorem - the Leontief paradox	10
III	Alternative explanations of inter industry trade - Availability & Spillover model - Recent explanation in terms of technological lead - domestic market size and product cycle approach - Vernon's Hypothesis - Krugman Model -intra-industry trade - Terms of trade: Gross and net barter terms of trade and income terms of trade	15
IV	The Uruguay Round of GATT- Objectives and Principles of the WTO - Emergence of non-tariff barriers - Political Economy of non-tariff barriers - Voluntary Export Restraints - Dumping - Sanitary and Phyto- Sanitary measures	12
V	Theory of Customs Union: Trade creation versus trade diversion - partial and general equilibrium approaches to the theory of customs union - static and dynamic effects - forms of regional integration	12
Course Outcome:-		
<ul style="list-style-type: none"> • Student will be well veered with the pure theory of trade • Student will understand the rationale of government intervention in international trade • Student will learn the Economics of international co- operation 		

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