

Semester	III	Specialization	IB
Course Code	305IB	Type	Subject Core
Course Title	International Business Economics		

Course Objectives:	
1	To explore the students the relevance of various trade theories/models
2	To explore the students to understand deep current issues in International Trade
3	To enable students to use economic tools to analyze diversity of issues in the international economy.

#### Syllabus:

Unit Number	Contents	Number of Sessions
1	<b>Background for International Business Economics :</b> Globalization and International Business – The Emergence of Global Institutions – Drivers of Globalizations - The Globalization Debate - The Gains from Trade - Foreign Trade Multiplier - Balance of Payments	5 + 2
2	<b>The International Trade Theory :</b> The Law of Comparative Advantage – The– Demand and Supply, Offer Curves, and the Terms of Trade – Factor Endowments and the Heckscher – Ohlin theory – Implications of Trade Theories - Economics of Scale, Imperfect Competition, and International Trade.	6 + 2
3	a) <b>International Trade Policy :</b> Trade Restrictions - Tariffs , Non-Tariff Trade Barriers - Tariff vs. Quota - The New Protectionism – Economic Integration - Custom Unions and Free Trade Areas - Major Regional Trade Agreements  b) <b>Foreign Exchange :</b> Foreign Exchange Market – Types of Foreign Exchange Transactions – Reading Foreign Exchange Quotations – Forward and Futures Market – Foreign-Currency Options – Exchange Rate Determination – Arbitrage – Speculation and Exchange-Market Stability	10 + 2

4		<b>World Financial Environment:</b> Global Foreign – Exchange Markets – Economic Theories of Exchange Rate Determination - International Regime for FDI and MNC- Do Global Corporations Pose a Threat? - Consequences of Economic Globalization	7 + 2
5		<b>International Banking : Reserves, Debt and Risk :</b> Nature of International Reserves – Demand for International Reserves – Supply of International Reserves – Gold Exchange Standard – Special Drawing Rights – International Lending Risk – The Problem of International Debt – Financial Crisis and the International Monetary Fund – Eurocurrency Market	7 + 2
<b>Learning Resources:</b>			
1	Text Books	International Economics Theory and Policy , 6/E Paul Krugman, Maurice Obstfeld, Pearson Education  International Economics, 9/E, Robert Carbaugh, Cengage – South Western  International Business , 12/E, John Daniels, Lee Radebaugh, Daniel Sullivan and Prashant Salwan, Pearson	
2	Reference Books	Pugel, Thomas, International Economics, 13th edition, McGraw-Hill-Irwin, 2007.  Friedman, Thomas, The World is Flat, 2nd edition, Farrar, Strauss and Giroux, New York, 2006  Edward Leamer, editor, International Economics, Worth Series in Outstanding Contributions, Worth Publishers, 2001  Jagdish N. Bhagwati, Arvind Panagariya, and T. N. Srinivasan, Lectures on International Trade, second edition (Cambridge, MA: MIT Press, 1998).  Paul R. Krugman, Rethinking International Trade (Cambridge, MA: MIT Press, 1990).	
3	Supplementary Reading Material	Irwin, D.A. 1996. "The United States in a New Global Economy? A Century's Perspective." American Economic Review 86(May): 41-46.  Krugman, Paul "The Narrow and Broad Arguments for Free Trade," American Economic Review, 83(2), pp. 362-366, may 1993.  Economic Times Daily  Business Standard Daily	
4	Websites	<a href="http://www.wto.org/">http://www.wto.org/</a>  <a href="http://www.imf.org/external/index.htm">http://www.imf.org/external/index.htm</a>	
5	Journals	Asian Economic Bulletin	

	<p>Foreign Trade Review</p> <p>Global Business Review</p> <p>Global Journal of International Business Research</p> <p>International Business &amp; Economics Research Journal</p> <p>International Business and Management</p> <p>International Trade Forum</p> <p>International Trade Journal</p> <p>Journal of Economic Perspectives</p> <p>Journal of International Business</p> <p>Journal of International Business and Economy</p> <p>Journal of International Trade &amp; Economic Development</p> <p>Journal of Asian Business</p> <p>World Affairs: the Journal of International Issues</p>
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