

B. Com Sem III

International Business - Syllabus

Unit	Title	Details
Unit I	International Trade Theory	Absolute advantage theory, Law of Comparative advantage, Opportunity Cost Theory: Production Possibility Curve with opportunity costs and relative commodity prices basis and gains from trade under constant costs. Production Possibility Curve with increasing costs, Community Indifference Curve, Equilibrium in Isolation.
Unit II	Gains from Trade	Gains From trade with increasing costs, Gains from exchange and specialization, Offer Curves: Terms of Trade.
Unit III	Factor Endowments and the Heckscher – Ohlin Theory	Meaning of Factor Endowment; Assumptions of the theory, Interpretation of Heckscher Ohlin Theorem, General equilibrium framework of Heckscher Ohlin Theorem, Diagrammatic presentation of the theory. Factor Price equalisation and income distribution, Leontief Paradox and Factor Reversal.
Unit IV	International Trade Policy	Tariffs: Definition, Types Partial equilibrium analysis of a tariff, Effects of a tariff on consumer and producer surplus, Cost and benefit analysis of tariff. Rate of effective protection, General equilibrium analysis of a tariff in a small and large country, Optimum tariff, Stopler – Samuelson Theorem. Non-Tariff Barriers and the New Protectionism: Quota – comparison with tariff, Voluntary Export Restraints, Technical, Administrative and other regulations. International Cartels, Dumping, Export Subsidies, Strategic trade policies
Unit V	World Trade Organization	GATT to WTO, Functions and Principles of WTO, WTO and Developing Countries. Dispute Settlement Mechanism. Recent Trade Rounds and Position of India.

Books Recommended:

1. Soderston, B.O. and Reed, G.: International Economics..
2. Salvatore, D.: International Economics
3. Kindleberger, B.: International Economics...
4. Srinivasan, T. N.: Developing Countries and Multilateral Trading System, OUP, Delhi
5. Meir, G. M.: Leading Issues in Economic Development,

6. Francies Cherunilam, “International Business – Text and Cases”, PHI Pvt. Ltd, New Delhi
7. V. K. Bhalla, S. Shiva Ramu, International Business, Environment and Management, Anmol Publications Pvt Ltd, New Delhi
8. V Sharan, , International Business,, Pearson Education, New Delhi
9. Recent Articles on WTO.