

**B. Com. Semester V**  
**International Trade Policies - Syllabus**

<b>Unit</b>	<b>Title</b>	<b>Details of Topic</b>
Unit I	<b>Introductory Trade Issues: History, Institutions, and Legal Framework</b>	The International Economy and International Economics Understanding Tariffs, Recent Trade Controversies, The Great Depression, Smoot-Hawley, and the Reciprocal Trade Agreements Act (RTAA). The General Agreement on Tariffs and Trade (GATT). The Uruguay Round, The World Trade Organization (WTO).
Unit II	<b>The Ricardian Theory of Comparative Advantage &amp; The Pure Exchange Model of Trade</b>	Ricardian Model Assumptions, Relationship between Prices and Wages, Deriving the Autarky Terms of Trade, The Motivation for International Trade and Specialization, Welfare Effects of Free Trade: Real Wage Effects, Aggregate Effects. Three Traders and Redistribution with Trade, A Simple Pure Exchange Economy, The Nondiscrimination Argument for Free Trade
Unit III	<b>The Heckscher-Ohlin (Factor Proportions) Model &amp; Economies of Scale</b>	The Heckscher-Ohlin Theorem, Depicting a Free Trade Equilibrium in the Heckscher-Ohlin Model. National Welfare Effects & The Distributive Effects of Free Trade in the Heckscher-Ohlin Model. The Compensation Principle. Factor-Price Equalization. Dynamic Income Redistribution and Trade. Economies of Scale and Returns to Scale. Gains from Trade with Economies of Scale: A Simple Explanation. Monopolistic Competition.
Unit IV	<b>Trade Policy Effects with Perfectly Competitive Markets</b>	Basic Assumptions of the Partial Equilibrium Model Depicting a Free Trade Equilibrium: Large and Small Country Cases, The Welfare Effects of Trade Policies: Partial Equilibrium, Large & Small Country Price Effects & Welfare Effects, The Optimal Tariff, Import Tariffs & Quota, Export Subsidies, Export Taxes, Voluntary Export Restraints, (VERs), Export Taxes, Retaliation and Trade Wars, Administration of an Import Quota, The Choice between Import Tariffs and Quotas, Countervailing Duties
Unit V	<b>International Trade: India, Developing and developed countries</b>	Domestic Production: Subsidies as a Reason for Trade, Small Importing Country. Consumption Tax Effects in a Small Importing Country. Trade and the Environment Economic Integration: Free Trade Areas, Trade Creation, and Trade Diversion. The Consumers' Lobbying Decision The Producers' Lobbying Decision. The Government's Decision

**Books Recommended:**

1. Handbook on International Trade Policy: William Alexander Kerr, James D. Gaisford Edward: Elgar Publishing
2. Gandolfo, Giancarlo: International Trade Theory and Policy Springer