



Course Syllabus  
Gyanmanjari Institute of Arts  
Semester-3 (M.A)

**Subject:** International Trade & Finance- MATEC12511

**Type of course:** Major (Core)

**Prerequisite:**

Understanding of Microeconomics and Macroeconomics.

**Rationale:**

This syllabus aims to provide a comprehensive understanding of international trade theories, alternative perspectives, market conditions, gains from trade, terms of trade, and trade policy analysis. By covering a range of theories, empirical evidence, and practical applications, students will develop analytical skills and a nuanced understanding of the complexities of international trade dynamics.

**Teaching and Examination Scheme:**

Teaching Scheme			Credits	Examination Marks					Total Marks
CI	T	P		C	Theory Marks		Practical Marks		
					ESE	MSE	V	P	ALA
4	0	0	4	60	30	10	00	50	150

*Legends: CI-Classroom Instructions; T – Tutorial; P - Practical; C – Credit; SEE - Semester End Evaluation; MSE- Mid Semester Examination; V – Viva; CCE-Continuous and Comprehensive Evaluation; ALA- Active Learning Activities.*

**Course Content:**

Sr. No	Course content	Hrs.	% Weightage
1	<p><b>Theories and Models of International Trade</b></p> <ul style="list-style-type: none"> <li>Classical Theory of International Trade – Theories of absolute advantage, comparative advantage</li> <li>Neo Classical Theory of international Trade (opportunity costs theory)</li> <li>Modern Theory of International Trade (Heckscher-Ohlin</li> </ul>	15	25%





	Model). Empirical Testing of theory of Heckscher-Ohlin.		
2	<p><b>Alternative Theories and Trade Under Imperfectly Competitive Market Conditions</b></p> <ul style="list-style-type: none"> <li>• Offer Curve Analysis; J.S. Mill’s Theory of Reciprocal Demand;</li> <li>• Factor Price 2 equalization theorem;</li> <li>• Factor Progress and Rybczynski theorem;</li> <li>• Kravis and Linder theory of international trade.</li> <li>• Trade Under Imperfectly Competitive Markets conditions.</li> </ul>	15	25%
3	<p><b>Gains from Trade, Terms of Trade, and Trade Policy Analysis</b></p> <ul style="list-style-type: none"> <li>• Measurement of gains from trade and their distribution;</li> <li>• Concepts of terms of trade, their uses, and limitations;</li> <li>• Hypothesis of secular deterioration of terms of trade, its empirical effects of relevance and policy implications for less developed countries;</li> <li>• Theory of interventions (Tariffs, quotas and Nontariff)-Economic effects of tariffs (Partial and General Equilibrium analysis) Tariff and Stopler Samuelson Theorem</li> </ul>	15	25%
4	<p><b>Economic Growth, Trade Strategies, and Trade Liberalization</b></p> <ul style="list-style-type: none"> <li>• Economic Growth and International Trade-Production effect, consumption Effect, The effects of growth on small countries</li> <li>• The Effects of Growth on Large Countries</li> <li>• Technical Progress and International Trade</li> <li>• Liberalization experience of developing countries with special reference to India.</li> </ul>	15	25%

**Continuous Assessment:**

Sr. No	Active Learning Activities	Marks
1	<b>Literature Review:</b> Students will research and summarize key international trade theories such as Mercantilism, Absolute Advantage, Comparative Advantage, Heckscher-Ohlin Theory, and New Trade Theory. They will create a comprehensive literature review comparing these theories and upload it in PDF form on the GMIU Web portal.	10
2	<b>Historical Trade Agreements Analysis:</b> Study historical trade agreements and treaties through the perspective of different trade theories. Upload the analysis in PDF form on the GMIU Web portal.	10





3	<b>Economic Trade Benefits Report:</b> Create a report on the benefits and conditions of international trade. Upload it in PDF format on the GMIU Web portal.	10
4	<b>Comparative Study:</b> Student will upload a comparative study in PDF form on the GMIU Web Portal, analyzing India's economic liberalization alongside similar reforms in other countries, highlighting their similarities, differences, and outcomes.	10
5	<b>Policy analysis:</b> The student will analyze the Import-Export policy of the government and upload the report on GMIU Web portal.	10
<b>Total</b>		50

**Suggested Specification table with Marks (Theory):60**

Distribution of Theory Marks (Revised Bloom’s Taxonomy)						
Level	Remembrance (R)	Understanding (U)	Application (A)	Analyze (N)	Evaluate (E)	Create (C)
Weightage	20%	40%	40%	00	00	00

**Note:** This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

**Course Outcome:**

After learning the course, the students should be able to:	
CO1	Demonstrate a comprehensive understanding of the classical, neo-classical, and modern theories of international trade, including the concepts of absolute advantage, comparative advantage, opportunity costs, and the Heckscher-Ohlin Model.
CO2	Analyze alternative theories of international trade, such as offer curve analysis, J.S. Mill’s Theory of Reciprocal Demand, Factor Price Equalization Theorem, and Kravis and Linder Theory, and understand their implications for trade patterns and policies.
CO3	Assess the implications of trade policies, including tariffs, quotas, and non-tariff barriers, on economic welfare, terms of trade, and the distribution of gains from trade, using both partial and general equilibrium analysis frameworks.
CO4	Examine the experiences of developing countries; with a special focus on India, in liberalizing trade policies, understanding the objectives, challenges, and outcomes of trade liberalization efforts.





### Instructional Method:

The course delivery method will depend upon the requirement of content and the needs of students. The teacher, in addition to conventional teaching methods by black board, may also use any tools such as demonstration, role play, Quiz, brainstorming, MOOCs etc.

From the content 10% topics are suggested for flipped mode instruction. Students will use supplementary resources such as online videos, NPTEL/SWAYAM videos, e-courses, Virtual Laboratory

The internal evaluation will be done on the basis of Active Learning Assignment

Practical/Viva examination will be conducted at the end of semester for evaluation of performance of students in the laboratory.

### References

- [1]. Krugman, P. R., Obstfeld, M., & Melitz, M. J. (2018). International Economics: Theory and Policy (11th ed.). Pearson.
- [2]. Carbaugh, R. J. (2019). International Economics (16th ed.). Cengage Learning.
- [3]. Salvatore, D. (2018). International Economics (12th ed.). Wiley.
- [4]. Feenstra, R. C., & Taylor, A. M. (2017). International Trade (4th ed.). Worth Publishers.
- [5]. Caves, R. E., Frankel, J. A., & Jones, R. W. (2007). World Trade and Payments: An Introduction (10th ed.). Pearson.
- [6]. Bhagwati, J. N., & Krueger, A. O. (Eds.). (1996). The Dangerous Drift to Preferential Trade Agreements. AEI Press.
- [7]. Feenstra, R. C. (2015). Advanced International Trade: Theory and Evidence. Princeton University Press.
- [8]. Dixit, A. K., & Norman, V. (1980). Theory of International Trade: A Dual, General Equilibrium Approach. Cambridge University Press.
- [9]. Goldberg, P. K., & Maggi, G. (2017). Handbook of International Economics (Vol. 4). Elsevier.
- [10]. Baldwin, R. E., & Evenett, S. J. (2009). The Collapse of Global Trade, Murky Protectionism, and the Crisis: Recommendations for the G20. A VoxEU.org Publication.

