Branch Name:	Management
Program Code:	MS301
Course Title:	International Trade and Policy Framework
Course Code:	1MS3010782
Pre-requisite Course:	

Course Objectives:

1. Assess the relative importance of geographic and political barriers to trade and the economic consequences of their change.
2. Provide explanations for the empirical success of the gravity model of international trade, based on theoretical foundations.
3. Interpret and adequately treat the individual components of the gravity model of international trade for theoretical analysis, estimation, and simulation.

Teaching and Examination Scheme:

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)				
				Theory (Marks)		Practical (Marks)		
Lecture (L)	Tutorial (T)	Practical (P)	Credit	University Assessment	Continuous Assessment	University Assessment	Continuous Assessment	Total (Marks)
4	0	0	4	60	40	0	0	100

Syllabus:

Module No	Topic	Total Hours	Weightage (%)
1	**Theories of International Trade** An Introduction 1.1 Globalization of the World Economy, Deglobalization, 1.2 The Mercantilist Views on Trade 1.3 The Theory of Absolute Cost Advantage & The Theory of Comparative Cost Advantage 1.4 Two-by-Two-by-Two Sector Model A critical review is carried out regarding the assumptions, principles, limitations and comparison of the early trade theories. Case study – Growth Story of the Southeast Asian Countries/ASEAN economies (to understand how trade has helped economy to grow) and Policies adopted by them which helped trade facilitation	**12**	**25%**
2	**Modern Theories of International Trade** 2.1 Product Cycle Theory 2.2 Linder's Theory of Volume of Trade and Demand Pattern 2.3 Krugman’s Alternative Theory of Trade 2.4 Gravity Model 2.5 Immiserizing growth theory Jagdish Bhagwati Assumptions, theoretical aspects, limitations and application of the modern theories in the contemporary trade scenario are discussed. Case Study: Trade in European Union (Gravity Model’s application) German/USA electronic/automobile Products (Product Cycle Theory)	**12**	**25%**
3	**Terms of Trade and Determination of Exchange Rate** 3.1Concepts and Measurement of Terms of Trade 3.2Factors affecting Terms of Trade of a Country 3.3 Exchange Rate Determination A critical review is undertaken of the Terms of Trade of Developed and Developing nations and the applicability of the BOP and PPP Theories	**12**	**25%**
4	**Balance of Payments and Trade Distortions** 5.1Equilibrium and Disequilibrium in BOP, Measures to correct disequilibrium 5.2 Current and Capital Account convertibility 5.3 Protectionism in the changing world scenario 5.4Role of WTO in reducing trade distortions 5.5Effect of Covid-	**12**	**25%**

	19 Pandemic on Trade Case Studies discussed on the repercussions of global events (BREXIT, changing trade policy of USA, Fed Tapering 2013)		

Text Books:

1. Handbook on International Trade Policy: William Alexander Kerr, James D. Gaisford Edward: Elgar Publishing
2. Alan C Shapiro, Multi National Financial Management
3. Krishnamoorthy S, Guide to Foreign Exchange Regulations

Reference Books:

1. Chaterjee A K, Principles of Foreign Exchanger
2. Rajwadi, Foreign Exchange Management
3. Keith Red Head, Financial Derivatives
4. V VKeshkamat , Foreign Exchange Arithmetic, Vivek Publications ,Mumbai
5. C Jeevandam, Foreign Exchange Arithmetic and Risk Management, – Sulthan Chand & Sons
6. B K Chaudhuri, Finance of Foreign Trade and Foreign Exchange
7. S. Kevin, Commodity and Financial Derivatives, 2nd ed., PHI Learning Private Ltd, Delhi

Course Learning Outcomes (CLO):

1. Compare at the level of formal analysis, the major models of international trade and be able to distinguish between them in terms of their assumptions and economic implications.
2. Employ the principle of comparative advantage and its formal expression and interpretation within different theoretical models.
3. Apply partial equilibrium and (where required) general equilibrium models in analysing the economic effects of (a) trade policy instruments such as tariffs, quotas, export subsidies, (b) retaliatory measures such as anti-dumping duties and countervailing duties and (c) the creation of regional trading arrangements such as free trade areas, customs unions and common market.
4. Distinguish and critically analyse the main arguments for protection and conversely be able to critically evaluate the relevance and realism of arguments for free trade, taking into account the costs and benefits of trade policy measures on different sections of the community and the implications for the formulation of trade policy.
5. Identify major recent developments in the world trading system, and be able to critically analyse key issues raised both by the current round of WTO negotiations and by the spread of regional trading arrangements.
6. Develop communications skills through the presentation of your work, interactions during tutorial sessions, and appropriate use of the discussion board.

Mapping of CLO with PO and PSO

Course Learning Outcomes	Program Outcomes(POs)												Program Specific Outcomes(PSOs)			
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2	PSO3	PSO4
CLO1	H		M				H									
CLO2	H			M				M								
CLO3	M	H	H			M										
CLO4		H							M							
CLO5													H			
CLO6	H	M	M				H								M	

H: High, M: Medium, L: Low