

II B.COM

PAPER 1: INTERNATIONAL TRADE

1 INTRODUCTION

- a) Meaning, Nature and Importance.
- b) Salient features of international Trade.
- c) Classical Theory of International Trade. (Absolute & Comparative Cost advantage)
- d) Heckscher –Ohlin Theory.

II TERMS OF TRADE

- a) Meaning
- b) Factors determining Terms of Trade.
- c) Concepts of Terms of Trade.
 - i. Net barter Terms of Trade
 - ii. Gross barter Terms of Trade.
 - iii. Income Terms of trade
 - iv. Single Factoral Terms of Trade
 - v. Double Factoral Terms of Trade
 - vi. Real Cost Terms of Trade.
 - vii. Utility Terms of Trade

III FOREIGN EXCHANGE RATE POLICY:-

- a) Meaning of Foreign Exchange Rate.
- b) Theories: The Purchasing Power Parity Theory, The Balance of Payments Theory.
- c) Factors determining foreign Exchange rate.
- d) Fixed & Flexible exchange rates.
- e) Spot & Forward exchange rates.
- f) Arbitrage.

IV TRADE POLICY

- a) Free Trade: Meaning, Arguments for & against free trade.
- b) Protection: Meaning, Arguments for & against protection.
- c) Role of protection in developing countries.

V TRADE BARRIERS:-

- a) Tariffs : Types & their effects
- b) Quotas: Types & Their effects.
- c) Non Tariff Barriers: Dumping, export subsidy, licenses, embargo, import deposits (Concept only).

VI BALANCE OF PAYMENTS:-

- a) Meaning & Different Concepts
- b) Equilibrium & disequilibrium in BOP.
- c) Causes of disequilibrium.
- d) Measures to correct disequilibrium.

VII ECONOMIC INTEGRATION & TRADE AGREEMENTS:-

- a) Meaning & Importance.
- b) Forms of Regional Cooperation.
- c) European Economic Community.
- d) South Asian Association for Regional Cooperation (SAARC).

VIII MULTINATIONAL CORPORATIONS:-

- a) Meaning & Importance of MNCs.
- b) Arguments for and against MNCs.
- c) MNCs & International Trade.

IX INTERNATIONAL MARKETING

- a) Meaning & objectives.
- b) International Marketing Environment.
- c) International Marketing decisions.

X. INTERNATIONAL ORGANISATIONS

- a) World Trade Organisation: objectives, structure.
- b) International Monetary Fund: Functions & objectives, Achievements.
- c) World Bank: Functions, Objectives Achievements.

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