

**Savitribai Phule Pune University, Pune**  
**Third Year, B.Com. (Core Course)**  
**Revised Syllabi for Three Years B. Com. Degree Course**  
**(CBCS-2019 Pattern) (w.e.f. 2021-22)**

**Semester - VI**

**Subject: International Economics II**

**Course Code: 363**

**Total Credits: 3**

**Preamble:** International Economics is subject that is relevant in the current context. This provides an understanding of balance of payments, foreign exchange market and International factors mobility. The subject discusses Balance of Payments, Foreign Exchange, Currency Management as well as International capital flows. The subject discusses Free Trade, Barriers to Trade, Trade Agreements and Trade Organizations. Various issues are discussed and analyzed arising out of international trade and finance.

**Objectives:**

1. To acquaint the students with the concept of balance of payments, foreign exchange and international factors' mobility.
2. To help the students evaluate the working and functions of international organizations and institutions.
3. To develop a foundation in the subject that will help the students in their future academic and professional ventures.

**Course outcomes:**

1. Students will be able to comprehend the basic concepts of balance of payment and foreign exchange.
2. Students will be able to evaluate the working and functions of international organizations and institutions.
3. Students will be able to apply the knowledge while preparing for the competitive examinations and other future prospects.

Unit No.	Topic	Purpose & Skills to be Developed
1	<b>Balance of Payment</b>	<b>Purpose:</b> To make the students aware of concepts balance of payments
	1.1 Concept of Balance of Trade and Balance of Payments	
	1.2 Balance of Payment on Current Account and Capital Account	<b>Skills:</b> Analyze & think critically, developing writing skills.
	1.3 Causes of Disequilibrium in Balance of Payment	
	1.4 Measures to Correct Disequilibrium in Balance of Payment	
	1.5 Convertibility of Rupee on Current and Capital Account	
2	<b>Foreign Exchange</b>	<b>Purpose:</b> To understand the concepts of foreign exchange market, foreign exchange rate, euro market etc.  <b>Skills:</b> Analyze & think critically, developing writing skills.
	2.1 Foreign Exchange Market	
	2.1.1 Meaning	
	2.1.2 Functions	
	2.1.3 Structure	
	2.1.4 Euro Dollar Market	
2.2. Foreign Exchange Rate		
2.2.1 Meaning of Foreign Exchange Rate		
2.2.2 Fixed and Flexible Exchange Rate- Merits and Demerits		
2.2.3 Determination of Foreign Exchange Rate: Purchasing		

	Power Parity Theory	
3	<b>International Factor Mobility</b>	<p><b>Purpose:</b> To understand the concept of international factor mobility and its effects on economy</p> <p><b>Skills:</b> Analyze &amp; think critically, developing writing skills.</p>
	3.1 Labor Migration- Meaning, Causes and Effects	
	3.2 Brain Drain- Concept, Causes and Effects	
	3.3 Types of Foreign Capital	
	3.3.1 Foreign Direct Investment	
	3.3.2 Foreign Institutional Investments	
3.4 Problems of Foreign Capital		
3.5 Role of Multinational Corporations (MNC's)		
4	<b>International Economic Institutions and Regional Cooperation</b>	<p><b>Purpose:</b> To make the students aware about different organizations working for international finance and trade development</p> <p><b>Skills:</b> Analyze &amp; think critically, developing writing skills.</p>
	4.1 World Trade Organization (WTO): Objectives and Functions	
	4.2 International Monetary Fund (IMF): Organization and Functions	
	4.3 World Bank: Objectives and Functions	
	4.4 South Asian Association for Regional Cooperation (SAARC): Objectives and Functions	
	4.5 BRICS- Introduction and Functions	

**Teaching Methodology:**

Unit No.	No. of Lectures	Innovative methods to be used	Film Shows and AV Applications	Project	Expected Outcome
1	12	<ul style="list-style-type: none"> <li>• Open book discussion</li> <li>• Digital lectures</li> <li>• Reading</li> <li>• Projects</li> </ul>	You tube lectures on balance of payments, Teacher oriented PPTs	<ul style="list-style-type: none"> <li>• Difference in Balance of Trade and Balance of Payments</li> <li>• Comparison between current Account and Capital Account</li> </ul>	<ul style="list-style-type: none"> <li>• Students will understand basic concepts of Balance of Trade and Balance of Payments</li> <li>• Account Will be able to analyze and current Account and Capital Account</li> </ul>
2	12	<ul style="list-style-type: none"> <li>• Group discussion</li> <li>• Case studies</li> <li>• Problem solving based learning</li> </ul>	You tube lectures, Lectures on SWAYAM Portal	<ul style="list-style-type: none"> <li>• Role of foreign exchange market in the economy.</li> <li>• Methods of foreign exchange determination</li> </ul>	<ul style="list-style-type: none"> <li>• Will know Meaning of Foreign exchange market</li> <li>• Will know the methods of foreign exchange determination</li> </ul>

3	12	<ul style="list-style-type: none"> <li>• Pair learning</li> <li>• Group discussion</li> <li>• Open book discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Teacher oriented PPTs.</li> <li>• You tube lectures</li> </ul>	<ul style="list-style-type: none"> <li>• Problems of Foreign Capital</li> <li>• Role of Multinational Corporations (MNC's)</li> </ul>	<ul style="list-style-type: none"> <li>• Will understand the concept of international factors mobility</li> <li>• Will understand Causes and Effects of Labor migration and Brain Drain</li> <li>• Able to interpret Role of Multinational Corporations (MNC's)</li> </ul>
4	12	<ul style="list-style-type: none"> <li>• Group discussion</li> <li>• Teacher driven power point presentation</li> <li>• You tube videos and presentations</li> </ul>	<ul style="list-style-type: none"> <li>• You tube lectures</li> <li>• Online PPTs</li> </ul>	<ul style="list-style-type: none"> <li>• Role and Functions of WTO</li> <li>• Comparison World Bank and IMF</li> <li>• Study of the regional cooperations</li> </ul>	<ul style="list-style-type: none"> <li>• Will understand role of international institutions in development of economies</li> <li>• Will know the effect of regional cooperation on trade and development</li> </ul>

### Recommended Books:

1. Dr.D.M.Mithani – International Economics (Himalaya Publishing house ltd)
2. Bo Sodersten, Geoffirey Reed, International Economics (3<sup>rd</sup> Edition) Publisher Red Globe Press
3. Kenan, P.B. (1994), The International Economy, Cambridge University Press, London.
4. Kindlberger, C.P. (1973), International Economics, R.D. Irwin, Homewood.
5. Krugman, P.R. and M. Obstgeld (1994), International Economics: Theory and Policy, Glenview, Foresman.
6. Salvatore, D.L. (1997), International Economics, Prentice-Hall, Upper Saddle River, N.J.
7. Sodersten, Bo (1991), International Economics, Macmillan Press Ltd., London.
8. International Economics , M.L. Jhingan
9. Z.M.Jhingan : International Economics (Vrinda Publication)
10. Robert Feenstra, Alan M Taylor, International Trade (5<sup>th</sup> Edition) Publisher Worth
11. Dr.Mrs.NirmalBhalerao&S.S.M.Desai – International Economics (Himalaya Publishing house ltd)
12. DeminicSalvatove – International Economics

13. Francis Cherunilam – International Economics, McGraw Hill publications
14. Francis Cherulliom - International Economics (Prentice hall)
15. Panchmukhi, V.R. (1978), Trade Policies of India: A Quantitative Analysis, Concept Publishing Company, New Delhi.
16. Patel, S.J. (1995), Indian Economy towards the 21st Century, University Press Ltd., India.
17. L.M.Bhole – Financial Institutions Markets (Tata McGraw Hill)
18. H.R.Macharaju – Internat[https://saylordotorg.github.io/text\\_international-trade-theory-and-policy/s07-01-factor-mobility-overview.html](https://saylordotorg.github.io/text_international-trade-theory-and-policy/s07-01-factor-mobility-overview.html)ional Financial Markets and India (Wheeler Publication)
19. <https://www.economicdiscussion.net/international-economics/international-economics-its-concept-parts/4205>
20. <https://www.emerald.com/insight/content/doi/10.1108/00251749710160214/full/html>
21. [https://www.economicsonline.co.uk/Global\\_economics/Terms\\_of\\_trade.html](https://www.economicsonline.co.uk/Global_economics/Terms_of_trade.html)
22. [https://en.wikipedia.org/wiki/Main\\_Page](https://en.wikipedia.org/wiki/Main_Page)
23. <https://openknowledge.worldbank.org/handle/10986/2140>
24. <https://infobrics.org/>
25. <https://economictimes.indiatimes.com/definition/Brexit>
26. [https://europa.eu/european-union/index\\_en](https://europa.eu/european-union/index_en)