**Lesson Plan: M.A. 3rd Semester**

**INTERNATIONAL TRADE AND FINANCE-1**

**November : Unit - I**

Theory of International Trade Classical Theory of International Trade – Theories of absolute advantage, comparative advantage. Neo Classical Theory of international Trade (opportunity costs theory); Modern Theory of International Trade (Heckscher-Ohlin Model ).Empirical Testing of theory of Heckscher-Ohlin.

 **December: Unit - II**

Alternative Theories of International Trade Offer Curve Analysis; J.S. Mill’s Theory of Reciprocal Demand; Factor Price equalization theorem; Factor Progress and Rybczynski theorem; Kravis and Linder theory of International trade. Trade under Imperfectly Competitive Markets conditions.

 **January: Unit - III**

Gains from International Trade Measurement of gains from trade and their distribution; Concepts of terms of trade, their uses and limitations; Hypothesis of secular deterioration of terms of trade, its empirical effects of relevance and policy implications for less developed countries; Theory of interventions (Tariffs, quotas and Nontariff)-Economic effects of tariffs (Partial and General Equilibrium analysis ) Tariff and Stopler Samuelson Theoram .Optimum rates of tariffs – their measurement and effective rate of Protection.

**February:Unit - IV**

Growth and Trade Economic Growth and International Trade-Production effect, consumption Effect, The effects of growth on small countries; The Effects of Growth on Large Countries; Technical Progress and International Trade; Import substitution v/s Export Push; Trade Liberalization: Need and Objectives; Liberalization experience of developing countries with special reference to India.

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