

**Course Code:** SUS1EC108  
**Course Title:** International Economics  
**Semester:** V **Credits:** 4

**Type of Course:** This course is a compulsory course for those pursuing a Major in Economics. It is also available to students of other streams provided they have studied and passed Mathematics at the +2 level.

**Course Description:** The analysis of the economic interaction between and across different national economies and their consequences shall be the focus of this course. Theories of international trade and capital flows, the process of exchange rate determination and balance of payments adjustment, etc., shall be covered and their implications for economic policy assessed.

**Assessment:** Two class tests (20% each), Mid-Semester Examination (30%) and End-Semester Examination (30%)

### **Main Topics**

- ⤴ Comparative advantage and the gains from trade
- ⤴ Increasing returns, imperfect competition and international trade
- ⤴ Trade policy
- ⤴ Multinational firms and foreign direct investment
- ⤴ National income accounting and the balance of payments
- ⤴ The foreign exchange market
- ⤴ Open-economy macroeconomics in the short run
- ⤴ Balance of payments crises
- ⤴ The international monetary system

### **Suggested readings:**

#### Required Text

- ⤴ Krugman and Obstfeld. *International Economics*. Pearson Education

#### Additional References

- ⤴ Caves, Frankel and Jones. *International Trade and Payments*. Pearson Education.
- ⤴ Helpman. *Understanding Global Trade*. Belknap Press.
- ⤴ Feenstra, Taylor. *International Economics*. Worth Publishers