

DISCIPLINE SPECIFIC ELECTIVE COURSE

DSE IV-Management of Global Business

DSE IV: MDG 503: INTERNATIONAL TRADE POLICY AND STRATEGY

Course Objectives:

The course aims to give an overview of international business environment and the international economic linkages, equipping students with an understanding of the role of international institutions and regional groups in the promotion of international trade. It further aims to provide a thorough understanding of the basis for international trade and related strategies. The role of the global institutional structure and trade strategies of developing countries and trade partners of India will be studied.

Learning Outcomes:

At the end of this course, students would be able to:

1. Understand what, why and how of international trade process in detail with special focus on India along with the latest trends in the world trade.
2. Analyse the trading strategies of developing countries. They will be able to analyse the impact and relation of growth with other development indicators.
3. Discuss the various factors affecting International Trade and challenges in the future

Course Contents:

Unit I

(3 Weeks)

Background and Introduction:

Review of Economic Theory on International Trade: Basis for international trade; gains from trade; distributional issues, policy instruments and their impact, political economy.

Trends in Global Trade and Balance of Payments with special reference to India: Historical roots of today's international trade, Composition, origin and destination of global exports and imports, Trade in invisibles, Balance of payments: current account and capital account, Capital flows and foreign exchange revenues, External Debt.

References:

Krugman, Paul R., Obstfeld, Maurice and Melitz, Marc J.: International Economics - Theory and Practice. Pearson | Chapters 1, 2, 10 and 11

Cherunilam, Francis: International Trade and Export Management. Himalaya Publishing House | Chapters 1, 2, 3 and 6

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Unit II

(3 Weeks)

Global Trade:

Factors behind growth of Global Trade: Labour, Resources, Location, Markets. The Global Institutional Structure: GATT (General Agreement on Trade and Tariffs), WTO (World Trade Organisation), Regional Trade Blocks and Trade Agreements. The case of European Union and then the Brexit episode. Instruments of Trade Policy. Exchange Rates. Support from Development Supporting Institutions such as IMF

References:

Krugman, Paul R., Obstfeld, Maurice and Melitz, Marc J.: International Economics - Theory and Practice. Pearson | Chapters 3, 5, 7, 8 and 9

Cherunilam, Francis: International Trade and Export Management. Himalaya Publishing House | Chapters 4, 5, 6, 9, 11, 12, 14 and 15

Unit III

(3 Weeks)

India and International Trade:

India's Industrialization Strategy and International Trade: Review of Economic planning strategies and issues: early phase; the 1970s and 1980, Policies since 1991, Exim policy, structure of tariffs and restrictions, currency depreciation and convertibility, Export Promotion Zones, various export promotion schemes of Government of India like duty drawback and MEIS. An overview of foreign trade policy. FDI in India

References:

Krugman, Paul R., Obstfeld, Maurice and Melitz, Marc J.: International Economics - Theory and Practice. Pearson | Chapters 9, 10, 11, 21 and 22

Cherunilam, Francis: International Trade and Export Management. Himalaya Publishing House | Chapters 13, 14, 15, 27, 28 and 29

Unit IV

(3 Weeks)

Developing Economies and International Trade:

Experience of Select Developing Countries: Analysis of the trade strategy and the policy framework in two select large countries and comparison with India, Impact of trade on growth, agriculture, inequality, poverty, and other developmental indicators Case Studies on Trade Strategies of Emerging Economies- China, ASEAN (Association of South East Asian Nations) and the four Asian tigers or Asian dragons.

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References:

Krugman, Paul R., Obstfeld, Maurice and Melitz, Marc J.: International Economics - Theory and Practice. Pearson | Chapters 8, 9, 10, 11, 21 and 22

Cherunilam, Francis: International Trade and Export Management. Himalaya Publishing House | Chapters 9, 11 and 13

Gionea, John: International Trade and Investment - An Asia-Pacific Perspective. McGraw-Hill | Chapter 14

Text Books: (latest editions should be referred to)

1. Krugman, Paul R., Obstfeld, Maurice and Melitz, Marc J.: International Economics - Theory and Practice. Pearson
2. Cherunilam, Francis: International Trade and Export Management. Himalaya Publishing House

Additional Readings: (latest editions of all books should be referred to)

1. Srinivasan, T.N. and Tendulkar, Suresh: Reintegrating India with the World Economy, Columbia University Press.
2. Gionea, John: International Trade and Investment - An Asia-Pacific Perspective. McGraw-Hill
3. Singh, Ram: International Trade Operations. Excel Books
4. Nelson, Carl A.: Import/Export - How to Get Started in International Trade. McGraw-Hill
5. Debroy, Bibek and Chakraborty, Debasis: The Trade Game - Negotiation trends at WTO and concerns of developing countries. Academic Foundation
6. O'Connor, David E.: Encyclopaedia of the Global Economy - A guide for students and researchers. Academic Foundation

Teaching Learning Process:

This course will be taught using a mix of the following tools:

1. Case studies
2. Relevant and important articles from academic linked journals in the domain of Management such as Harvard Business Review, Strategy+Management and MIT Sloan Management Review among others of a comparable quality.

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3. Research reports put out by management bodies such as McKinsey and Company, EY, KPMG and Deloitte among others.
4. Classroom discussions based on points 1-3 and other parts of the course contents.
5. Classroom presentations by the students on teacher assigned topics.

Assessment Methods:

The total assessment of the course is for 100 marks and would be split as follows:

1. Semester end exam = 75 marks
2. Attendance = 5 marks
3. Internal = 20 marks

Keywords:

Economic Theory on International Trade; Trade Barriers; Protectionism; WTO; Asian Tigers; Outsourcing; Environmental impact of international trade; International Trade; International Business; ITeS Services; Export Promotion Zones; Balance of Payments; Balance of Trade; Trading Blocs; LPG (India) policy