

**Paper 2.3: Foreign Trade and Policy**

**The objective of this course is to enable the students to familiarize with the concepts of Foreign Trade and to gain Knowledge about Foreign Trade.**

- Unit 1: International Trade-Need for a Theory of International Trade, Bertil Ohlins and classical Economists Views, Factors affecting international trade-Theories of international trade-theory of comparative cost advantage-Modern theory-Factor Proportions theory, Theory of Reciprocal demand, terms of trade-India's Foreign Trade-Pattern of Trade-direction of trade.
- Unit 2: Foreign Trade Policy-Free Trade, Protection,- Foreign Trade Policy of India since 1980.
- Unit 3: Balance of Payments-Components of BOP-Current account BOP, (India), capital account BOP(India), BOP Models, -Disequilibrium in BOP-Measures to correct deficit in BOP- India's Balance of Payments Position.
- Unit 4: Exchange and trade Control-objectives-Exchange Management, Exchange Control in India, FERA,FEMA, RBI provisions, Trade Control, Trade Control in India-Statutory provisions-Import and Export Control Act, EXIM Policy.
- Unit 5: Foreign Trade Contracts-Documentary Credit, Documents in Foreign Trade, Foreign Draft, Transport documents, Shipping documents, Insurance documents, other documents.
- Unit 6: Commercial Policy Instruments, Tariffs, Quotas, anti-Dumping, Countervailing duties, Technical Standards, exchange control and other Non-Tariff measures.  
The WTO, Introduction, Difference between GATT and WTO, Structure, Objectives, Functions, WTO Argument, critical Appraisal of Uruguay round and WTO agreement, working of WTO.
- Unit 7: Export Promotion, Export maintenance and promotion measures, EPCG scheme, Import facilities, duty drawbacks, duty exemption scheme, tax concessions, marketing assistance, Role of State Trading, State trading Corporation of India, 100% Export oriented units, Export Houses and Trading houses, EPZs and SEZs.
- Unit 8: Quality Control and Pre-shipment Inspection: Process and Procedures, excise and customs clearance regulations, procedures and documentation.

## References:

- Principles of Foreign Exchange-A.K.Chatterjee.
- Money, Banking and International trade-M.L.Seth.
- Foreign Exchange and Exchange Arithmetic-Jeevanandam
- Money, Banking and International Trade -K.P.M Sundaram
- International Trade and Finance Frontiers-Kennan Peter.B
- Wells S.J, International Economics -George Allen Unwin
- Export Management -Dr.T.N.Ramakrishnan
- Macro Economics - S.Shankaran
- Indian Economics -K.K.Dewett, J.D Verma, M.L.Sharma