

# University of Jammu

## Syllabus of Economics for the Examinations to be held in Dec. 2017 Choice Based Credit System at Undergraduate Level

### Semester-III

**Title: International Economics (Course Code: UECTC – 301)**

**Credits: 6( 4 credits on lecture basis and 2 credits on tutorial basis)**

Total Marks: 100

Duration of Examination: 2 ½ Hours

Internal Assessment: 20

External Examination: 80

**Preamble:** This course on International Economics will provide the students a thorough understanding and knowledge of trade theories, trade policies and balance of payments that tend to govern the free flow of trade in goods and services at the global level. The contents of this paper have laid emphasis on both the theory policies of international trade and aspects of balance of payments and equip the students with knowledge on the concepts, theory and policy aspects of trade and impact of free trade and tariffs on the different sectors of the economy. The paper has become more relevant from the policy point of view under the present waves of globalisation and liberalization.

#### **UNIT: 1 Trade Theories I**

Importance of the study of International Economics; Concepts of Internal, Interregional and International trade and their Comparison; Theories of International Trade: Absolute Cost Advantage, Comparative Cost Advantage, Opportunity Cost Theory (Main features, assumptions and limitations of these theories).

#### **UNIT: 2 Trade Theories II**

Theory of Reciprocal Demand; Heckscher-Ohlin's theory, Samuelson Theory of International Trade; Trade as an engine of growth: Concepts of terms of trade and their importance and limitations in the theory of trade

#### **UNIT: 3 Trade Policies**

Determination of Foreign Exchange Rate; Tariffs: Meaning, types and their impact (partial equilibrium analysis); Non-Tariff Quotas: Meaning, types and their impact (partial equilibrium analysis); Concept of Optimum Tariff and Effective Protection; Free Trade Vs. Protection; Export Subsidy: Meaning and Its Impact

## **UNIT: 4 Balance of Payments**

Balance of Trade and Balance of Payments: Concepts and components; Causes and effects of persistent deficit in the balance of payments and Measures to correct the deficit in the balance of payments; Devaluation: Concepts and Relative merits and demerits of devaluation; Objectives and functions of International Monetary Fund and World Trade Organization; Impact of WTO on India's foreign trade.

- **Note for Paper setting:** The question paper will contain three sections. In the first section, five (5) short answer questions representing all units i.e. at least one from each unit having 70 to 80 words in approximately 6 minutes time and having 3 marks each (**All compulsory**). Five (5) medium answer questions representing all units i.e. at least one from each unit having 250- 300 words in approximately 12 minutes and having 7 marks each (**All compulsory**). Four/Five (4/5) long answer questions representing whole of the syllabus with detailed explanation within 500-600 words in approximately 30 minutes time and having 15 marks each (**Two to be attempted**).

### **Suggested Readings:**

1. Mithani, D.M: Money, Banking & International Trade, Himalaya Publishing House, Mumbai.
2. Mithani, D.M: International Economics Himalaya Publishing House, Mumbai.
3. Paul, R.R: Money, Banking and International Trade, Kalyani Publishers, New Delhi.
4. Seth, M.L: Money, Banking and International Trade, Lakshmi Narain Agarwal Publishers, Agra.
5. Shrivastava, O.S.: International Economics, Kalyani Publishers, New Delhi
6. Vaish, M.C. and Sudama Singh: International Economic, Oxford & IBH Publishing CO. PVT. LTD. ,New Delhi

**University of Jammu**  
**Syllabus of Economics for the Examinations to be held in Dec. 2017**  
**Choice Based Credit System at Undergraduate Level**

**Semester-III**  
**Skill Enhancement Course**

**Title: Financial Economics (Course Code: UECTS: 302)**

**Credits: 4 (on Lecture basis)**

Total Marks: 100

Duration of Examination: 2 ½ Hours

Internal Assessment: 20

External Examination: 80

**Preamble:** This course on Financial Economics will provide the students a thorough understanding and knowledge of the financial system in the economy and its implications on supply and demand side aspects of the capital. The contents of this paper have laid emphasis on imparting the knowledge and to train the learners about the basics of the financial economics and to enable them to keep pace with the changing global financial and investment scenario. It will equip the students with knowledge on the concepts, theory and policy aspects of financial economics. The paper has become more relevant from the skill enhancement point of view to understand the financial system and its implications in the present waves of globalization and liberalization.

**UNIT 1: Basics of Financial Economics**

Financial Economics: Meaning, nature, scope and importance; Market equilibrium: Supply and Demand Side aspects of capital; Features of a Developed Financial System; Indian Financial System: Formal and informal

**UNIT 2: Financial Institutions**

Financial Institutions: Meaning; Banking Institutions: Structure and working principles (Commercial Banks, Cooperative Banks, and Regional Rural Banks); Non- Performing Assets and their management; Micro-Finance Institutions

**UNIT 3 Financial Markets**

Equity markets, Debt markets and Derivative markets: Structure, features and participants, Insurance sector: Meaning and Types; Mutual Funds: Meaning and Types

## **UNIT 4: Financial Instruments and Management**

Stocks: Meaning, Types and features; Bonds: Meaning, types and features, Derivatives: Meaning, types and features, Pricing and valuation aspects; Investment risk and types; Portfolio Management and Analysis; Balance Portfolio; Systematic Investment Plans; Bitcoin

- **Note for Paper setting:** The question paper will contain three sections. In the first section, five (5) short answer questions representing all units i.e. at least one from each unit having 70 to 80 words in approximately 6 minutes time and having 3 marks each **(All compulsory)**. Five (5) medium answer questions representing all units i.e. at least one from each unit having 250- 300 words in approximately 12 minutes and having 7 marks each **(All compulsory)**. Four/Five (4/5) long answer questions representing whole of the syllabus with detailed explanation within 500-600 words in approximately 30 minutes time and having 15 marks each **(Two to be attempted)**.

### **Suggested Readings:**

1. L.M. Bholey, Financial Institutions and Markets, Tata Mc Graw-Hill, New Delhi
2. B. V. Pathak, Indian Financial System: Markets, Institutions and Services, Pearson Education, India, New Delhi.
3. V. Avadhani, Capital Market, Himalaya Publishing House, New Delhi