

Q3 Modern Theory of international trade in detail. what are the characteristics of international Trade.

The Theories which are considered as fundamental trade are follows!

① Classical Theories of International Trade

The Classical Theories economists considered the principle of division of labour as the basis of international Trade.

* Assumptions of Classical Theories of International Trade: The following assumptions theories of International Trade

② All Labourers are assumed to be homogeneous.

The factors of production are perfectly mobile within the intractable but perfectly different countries.

Characteristics of International Trade

Territorial specialization.

Several documents

Government control

long chain of middlemen

International competition.

Mutually acceptable currency