## Contents

### Part I  Recent Developments in Trade Theory and Empirics

- **The “New-New” Trade Theory: A Review of the Literature**
  Priya Ranjan and Jibonayan Raychaudhuri
  
  - Page 3

- **Time Zones and FDI with Heterogeneous Firms**
  Toru Kikuchi, Sugata Marjit and Biswajit Mandal
  
  - Page 23

- **MNEs and Export Spillovers: A Firm-Level Analysis of Indian Manufacturing Industries**
  Maitri Ghosh
  
  - Page 33

- **IPR Regulatory Policy, Commercial Piracy, and Entry Modes of MNC: A Theoretical Analysis**
  Nilanjana Biswas Mitra and Tanmoyee Banerjee Chatterjee
  
  - Page 49

### Part II  International Trade and Institutions

- **International Trade and the Size of the Government**
  Rajat Acharyya
  
  - Page 77

- **The Effects of Corruption on Trade Flows**
  A Disaggregated Analysis
  Subhayu Bandyopadhyay and Suryadipta Roy
  
  - Page 97

- **Enlargement Decisions of Regional Trade**
  Sunandan Ghosh
  
  - Page 117

- **Deal Breaker or the Protector of Interests**
  India’s Negotiating Stance in WTO
  Parthapratim Pal
  
  - Page 159

- **Is WTO Governed Trade Regime Sufficient**
  Saikat Sinha Roy and Pradyut Kumar Pyne
  
  - Page 179
Part III  Issues in Trade, Trade Policy and Development

Export Performance in Textile and Garments with China as a Competitor: An Analysis of India’s Situation from the Perspective of Structure- Conduct-Performance Paradigm ................................. 201
Sarmila Banerjee, Sudeshna Chattopadhyay and Kausik Lahiri

Impact of Trade Liberalization on Indian Textile Firms:
A Panel Analysis ..................................................... 229
Subhadip Mukherjee and Rupa Chanda

Trade, Infrastructure and Income Inequality in Selected Asian Countries: An Empirical Analysis ................................. 257
Ajitava Raychaudhuri and Prabir De

A Theoretical Model of Trade, Quality of Health Services and Signalling .................................................. 279
Kausik Gupta and Tonmoy Chatterjee

Smuggling and Trafficking of Workers: A Brief Review and Analysis of the Economics of Illegal Migration ................................. 295
Saibal Kar

Impact of Trade Restriction on Child Labour Supply and the Role of Parents’ Utility Function: A Two Sector General Equilibrium Analysis .................................................. 315
Biswajit Chatterjee and Runa Ray

Part IV  Issues Related to Foreign Investment Flows

The Determinants of Foreign Direct Investment:
An Analytical Survey ................................................ 333
Chaitali Sinha and Kunal Sen

Foreign Direct Investment, Capital Formation, and Growth .................................................. 363
Prabirjit Sarkar

Foreign Direct Investment and Macroeconomic Indicators in India:
A Causality Analysis .................................................. 373
Basabi Bhattacharya and Jaydeep Mukherjee

Part V  Issues Relating to Globalization, Financial Markets and Financial Instruments

Exploratory Study of Select Commodity and Equity Indices Around the Meltdown of 2008 .................................................. 387
Diganta Mukherjee and Arnab Mallick
Contents

An Empirical Investigation of Volatility Clustering, Volatility Spillover and Persistence from USA to Two Emerging Economies
India and China ................................................................. 405
Ayanangshu Sarkar and Malabika Roy

Imbalances, Local and Global, and Policy Challenges
in the Post-Crisis World ..................................................... 429
Soumyen Sikdar

Testing Non-linearity in Emerging and Developed Markets .......... 437
Kousik Guhathakurta, Basabi Bhattacharya and A. Roy Chowdhury

Part VI Issues Related to Foreign Exchange Market

Foreign Exchange Markets, Intervention, and Exchange Rate Regimes ............................................. 469
Ashima Goyal

Global Foreign Exchange Market: A Crisis Analysis .................. 493
Gagari Chakrabarti

The Impossible Trinity: Where Does India Stand? ..................... 511
Rajeswari Sengupta

Part VII Issues Related to Financial Institutions

Guaranty Funds and Moral Hazard in the Insurance Industry:
A Theoretical Perspective .................................................... 527
C. William Sealey, John M. Gandar and Sumon C. Mazumdar

Performance of Aggregate Portfolios of Equity Mutual Funds:
Skill or Luck? ................................................................. 547
Rama Seth and Kamran Quddus

Sasidaran Gopalan

Banks, Financial Derivatives, and Crises:
A Fourth-Generation Model ................................................ 585
Romar Correa