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Fifth Semester B.A. Degree Examination, December 2021

First Degree Programme Under CBCSS

Economics

Core Course X

EC 1545 : INTERNATIONAL ECONOMICS

(2019 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Very short answer type questions. **One** word to maximum of **2** sentences. Answer **all** questions. Each question carries **1** mark.

1. Import function
2. Terms of trade
3. Balance of payment
4. Exchange rate
5. Tariff
6. Autarky
7. Spot rate
8. Devaluation

P.T.O.

9. Opportunity cost

10. Bilateral trade

(10 × 1 = 10 Marks)

SECTION – B

Short answer type questions. (Not to exceed **one** paragraph). Answer any **eight** questions. Each question carries **2** marks.

11. What does international trade theory study?

12. What is dumping?

13. Write a note on community indifference curve.

14. Distinguish between FDI and FII.

15. What is meant by fixed exchange rate?

16. Define Arbitrage.

17. Briefly explain the meaning of SDR.

18. What is currency swaps?

19. Explain the objectives of WTO.

20. Write a note on infant industry argument.

21. Explain optimum tariff.

22. What do you meant by Regions of recent settlement?

23. Explain the difference between current account convertibility and capital account convertibility.

24. What is meant by depreciation of currency?

25. Make a note on Euro.

26. Define J curve effect.

(8 × 2 = 16 Marks)

SECTION – C

Short essay questions. (Not to exceed **120** words). Answer any **six** questions. Each question carries **4** marks.

27. State the nature and scope of International Economics.

28. What are the invisible items in the balance of payments? Give example.

29. Explain the concept of factor abundance in Hecksher Ohlin theory.

30. Distinguish between static and dynamic gains from trade.

31. Examine ADB functions and objectives.

32. Explain Lerner symmetry theorem?

33. Examine the most important international economic challenges facing the world today.

34. What is meant by an ad valorem, a specific, and a compound tariff?

35. Define exchange control? What are the advantages of exchange control?

36. Examine the reasons for economic integration.

37. What are the arguments for protection?

38. State the functions of foreign exchange market.

(6 × 4 = 24 Marks)

SECTION – D

Long essay questions. Answer any **two** questions. Each question carries **15** marks.

39. Discuss in detail the classical theory of international trade.

40. Critically examine the purchasing power parity theory of exchange rate.

41. Discuss the functions and role of IMF. Give a brief account of IMF's financing policies and assistance in respect of developing countries.

42. What do you mean by non-tariff trade barriers? Explain the important non-tariff barriers of international trade.

43. What is the importance of multinational corporations today? Discuss the reasons for their existence?

44. Discuss in detail the role of international trade in economic development of a country.

(2 × 15 = 30 Marks)
