(Pages : 2) **E – 1617**

Reg. No. : .....

Name : .....

Sixth Semester B.A. Degree Examination, April 2018
First Degree Programme Under CBCSS
Branch : Economics
Core XIV
EC 1644 : INTERNATIONAL ECONOMICS
(2015 Admissions)

Time : 3 Hours Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences (Attempt **all** questions).

1. Balance of Trade.
2. Offer curve.
3. Tariff.
4. Spot rate.
5. Internal trade.
6. Devaluation.
7. Exchange rate.
8. Quota.
9. Opportunity cost.
10. European Union.

(10×1=10 Marks)

SECTION – II

Answer **any eight** questions **not** exceeding **one** paragraph. **Each** question carries **2** marks.

11. Explain the scope of International Economics.
12. What are the most important international economic problems facing the world today ?
13. Discuss the Mercantilist views on trade.
14. What is meant by dumping ?

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15. Distinguish between Regionalism and Multilateralism.
16. Write down the objectives of WTO.
17. What do you mean by speculation ?
18. Explain the concept of foreign trade multiplier.
19. What is meant by foreign exchange risk ?
20. Make a distinction between nominal and real exchange rate.
21. State the major assumptions of H.O. theory.
22. What is the importance of MNCs today ? **(8×2=16 Marks)**

SECTION – III

Answer **any six** questions **not** exceeding **120** words. **Each** question carries **4** marks.

23. Explain Leontief Paradox.
24. Write down the argument in favour of and against the fixed exchange rate system.
25. Give a brief account on Marshall-Lerner conditions.
26. Explain how international trade act as an 'engine of growth'.
27. What is meant by economic integration ? Explain its rationality.
28. Discuss absorption approach to BOP.
29. What is the relative purchasing-power parity theory ? How does this differ from absolute purchasing-power parity theory ?
30. Write down the role of FDI in the development of Indian economy.
31. Examine the Infant-industry argument for protection. **(6×4=24 Marks)**

SECTION – IV

Answer **any two** questions **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Discuss the classical theory of international trade.
33. What is meant by disequilibrium in the balance of payments ? Examine the major methods of correcting the disequilibrium in the balance of payments.
34. Discuss trade-creating and trade-diverting customs union in international trade.
35. Assess the contribution of the IMF in maintaining International Liquidity. **(2×15=30 Marks)**

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