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Name..

Reg. No...................................

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2016

(UG—CCSS)

Core Course—Economics

EC 6B 13—INTERNATIONAL ECONOMICS

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

Objective Type Questions. Answer all *four* questions :

1. Which of the following may cause disequilibrium in BOP ?

    (a) Cyclical fluctuations.

    (c) Economic Development.

    (b) Population growth.

    (d) All of the above.

2. Leontief's empirical study of Heckscher Ohlin theorem is known as :

    (a) Leontief's Paradox.

    (c) Leontief's partial equilibrium analysis.

    (b) Leontief's puzzle.

    (d) Leontief's apriori generalization.

3. The difference between the value of imported and exported is called :

    (a) Balance of trade.

    (c) Balance of payment.

    (b) Terms of trade.

    (d) Trade balancing.

4. International economics deals with the economic and financial ———— among nations.

    (a) Independence.

    (c) Interdependence.

    (b) Financial exclusivity.

    (d) All of the above.

(4 × ¼ = 1 weightage)

Fill in the blanks questions. Answer all *four* questions :

5. Tariff differ from Quota on ———— effect.

6. Law of Comparative Advantage was developed by ————.

7. The situation in which absence of tariff and quota is ————.

8. Leontief Paradox raises doubts about the validity of ———— theorem.

(4 × ¼ = 1 weightage)

Turn over

True *or* False questions. Answer all *four* questions :

9. Market determined Foreign exchange rate refers to flexible exchange.

10. The SAARC has twelve members.

11. "Balance of Payment always balances" means that for a country international transactions are always in equilibrium.

12. Adam Smith held the view that the only sound guarantee for progressive expansion of trade and increased prosperity of a nation is restrictive trade.

(4 × ¼ = 1 weightage)

Part B (Short Answer Type Questions)

Answer **all** *questions.*

13. Define international trade.

14. Quotas.

15. Free trade.

16. SAARC.

17. Purchasing Power Parity.

18. Fixed exchange rate.

19. Balance of payment.

20. Devaluation and revaluation.

21. Terms of trade.

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any **five** *questions.*

22. Describe the features of internal trade and international trade.

23. Differentiate flexible and fixed exchange rate.

24. Argument against free trade.

25. Explain the theory of Absolute advantage.

26. Explain the important types of non-tariff barrier.

27. Explain BOP accounts of a country in book keeping sense.

28. What do you mean by Leontief Paradox ?

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

Answer any **two** *questions.*

29. Explain the Ricardian theory of comparative cost.

30. Critically examine the Heckscher Ohlin theory.

31. Differentiate BOP and BOT. Illustrate the measures to correct equilibrium.

(2 × 4 = 8 weightage)