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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

(2009—2012 Admissions)

Time : Three Hours

Maximum : 30 Weightage

*Answers may be written either in English or in Malayalam.*

**Section A (Objective Type Questions)**

*Answer all twelve questions.*

A. Choose the correct answer :

1. The benefits from international trade include :
  - (a) Increased world output of goods and services.
  - (b) Greater efficiency in the use of the world's limited resources.
  - (c) Higher national standards of living throughout the world.
  - (d) All of the above.
2. Comparative advantages in production is achieved by :
  - (a) Subsidizing, specializing and lowering the price of an exported good.
  - (b) Being able to produce a good with fewer inputs than in other countries.
  - (c) Having terms of trade that are better than the terms of trade faced in other countries.
  - (d) Having a lower opportunity cost of producing a good relative to that of other countries.
3. When one country can produce a given amount of a good using fewer inputs than any other country :
  - (a) It has an absolute advantages in producing the good.
  - (b) It has a comparative advantages in producing the good.
  - (c) Specialization will definitely increase worldwide consumption possibilities.
  - (d) All of the above.
4. Arguments against free trade include :
  - (a) Concerns about national security.
  - (b) Concerns about dumping.
  - (c) Protection of infant industries.
  - (d) All of the above.

**Turn over**

B. Fill in the blanks :

5. LERMS stands for \_\_\_\_\_.
6. WTO was established in the year \_\_\_\_\_.
7. IBRD is popularly known as \_\_\_\_\_.
8. \_\_\_\_\_ is a tax levied when goods and services cross the boundary of the country.

C. Answer in a word/sentence :

- |                    |                  |
|--------------------|------------------|
| 9. Tariff.         | 10. Dumping.     |
| 11. Exchange rate. | 12. Devaluation. |

(12 × ¼ = 3 weightage)

### Section B (Short Answer Type Questions)

*Answer all nine questions.  
Each question carries 1 weightage.*

13. Define foreign trade.
14. Explain Revaluation.
15. Explain labour theory of value.
16. What do you mean by countervailing duties ?
17. What are the assumptions of Heckscher-Ohlin theory ?
18. Expand briefly NAFTA.
19. Explain floating exchange rate.
20. What do you mean by Exchange rate management ?
21. Define forward exchange rate.

(9 × 1 = 9 weightage)

### Section C (Short Answer Type Questions)

*Answer any five questions.  
Each question carries 2 weightage.*

22. Explain the methods of trade restrictions.
23. Explain Mint Parity Theory.
24. Explain fixed exchange rate.
25. What are the important functions of WTO ?
26. What do you mean by Non-tariff barriers ?
27. Explain Leontief Paradox.
28. Distinguish between Tariff and Quota.

(5 × 2 = 10 weightage)



**Section D (Essay Questions)**

*Answer any two of the following.  
Each question carries 4 weightage.*

29. Explain Balance of Payments and measures to correct disequilibrium in Balance of Payments.
30. Explain Heckseher-Ohlin Theory of Trade.
31. Describe arguments for and against protection.

(2 × 4 = 8 weightage)