

C 4878

(Pages : 3)

Name

Reg. No.

SECOND SEMESTER M.A. DEGREE EXAMINATION, JUNE 2016

(CUCSS)

Applied Economics

Core V—INTERNATIONAL ECONOMICS

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer **all** questions.*

*Each bunch of **four** questions carries weightage of 1.*

1. Grubel-Lloyd index refers to :
 - (a) Inter-Industry trade.
 - (b) Factor endowment.
 - (c) Intra-Industry trade.
 - (d) None of these.
2. Product cycle theory was developed by :
 - (a) Adam Smith.
 - (b) J. S. Mill.
 - (c) Raymond Vernon.
 - (d) None of these.
3. The Modern trade theory is associated with :
 - (a) Arthur Lewis.
 - (b) Leontiff.
 - (c) Alfred Marshall.
 - (d) Paul Krugman.
4. Tariff Barrier refers to :
 - (a) Import Quota.
 - (b) Export incentives.
 - (c) Import Duty.
 - (d) None of these.

Multiple Choices :

5. WTO came into existence on :
 - (a) 1st January 1965.
 - (b) 1st January 1994.
 - (c) 1st January 1995.
 - (d) 1st January 1985.
6. Net Barter Terms of Trade refers to
 - (a) $P./P_m$.
 - (b) Q_m/Q_x .
 - (c)
 - (d) None of the above.

Turn over

7. Heckscher-Ohlin trade deals with :
- (a) Domestic trade. (b) Regional trade.
 (c) Rural trade. (d) Supply side international trade.
8. Opportunity cost trade theory developed by :
- (a) Adam Smith. (b) Harberler.
 (c) David Ricardo. (d) None of the above.

Fill the blanks :

9. Immiserization growth theory developed by _____
10. Imitation gap theory of trade is given by. _____
11. The new name of EPZ is _____
12. The Law of comparative advantage is given by _____

State True or False :

13. $X + M/GDP$ is an indicator of trade openness.
14. Trade instability index is given by Alistair Mc Bean.
15. The revenue effect of Quota is not equal to revenue effect of Tariff.
16. Neo-Hotelling trade model is based on Product differentiation.

(16 x $\frac{1}{4}$ = 4 weightage)

Part B (Short Answer Questions)

*Answer any **ten** questions not exceeding **one page** each.
 Each question carries a weightage of **2**.*

17. What is trade creation ? Explain its significance.
18. Explain infant industry argument of Protection.
19. What is Leontief Paradox ?
20. What do you mean by dumping ?
21. Explain the protective and consumption effects of a tariff in partial equilibrium.
22. Describe Opportunity Cost Trade Theory.
23. Explain Neo-Chamberlain trade theory.
24. Describe difference between flexible and fixed exchange rate.
25. What is Foreign Trade Multiplier ?

26. Discuss Prebisch-Singer Hypothesis.
27. Explain the difference between Balance of trade and Balance of current account.
28. Explain the function of WTO.

(10 x 2 = 20 weightage)

Part C (Essay Questions)

*Answer any **three** questions not exceeding **three pages** each.
Each question carries a weightage of 4.*

29. State the Static and dynamic effects of Customs Union.
30. Describe **11-0** Trade Model.
31. Compare elasticity approach and monetary approach of balance of payment.
32. Explain the immerisation growth theory of trade.
33. Discuss the Law of comparative advantage.

(3 x 4 = 12 weightage)