THIRD SEMESTER M.A. DEGREE (REGULAR) EXAMINATION NOVEMBER 2019

(CUCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2015 Admissions)

Time : Three Hours
Maximum : 36 Weightage

Part A (Multiple Choice Questions)

Answer all questions.
Each questions carries ¼ weightage.

1. The Principle of Reciprocal demand was developed by :

    (a) Adam Smith.

    (b) David Ricardo.

    (c) J.S Mill.

    (d) Pigou.

2. World Trade Organisation was established in the year :

    (a) 1985.

    (b) 1990.

    (c) 1992

    (d) 1995.

3. Leontief Paradox questions the validity of :

    (a) Ricardian Theory.

    (b) Heckscher-Ohlin theory.

    (c) Rybczynski theory.

    (d) Stopler-Samuelson theory.

4. Product Life Cycle Model was developed by :

    (a) M.V Posner.

    (b) Raymond Vernon.

    (c) S.B Linder.

    (d) I.B Kravis.

5. The tariff imposed as a fixed percentage of the value of the commodity imported is called :

    (a) Advalorem tariff.

    (b) Specific tariff.

    (c) Compound tariff.

    (d) Countervailing tariff.

6. Under increasing opportunity cost, the production possibility curve would be :

    (a) Convex.

    (b) Straight line parallel to X axis.

    (c) Concave.

    (d) None of these.

7. An agreement by an exporter country's exporters or government with an importing country to limit their exports to it is :

    (a) Cartel.   (b) VER.

    (c) Export subsidy.   (d) Import quota.

8. The highest stage of economic integration is :

    (a) Economic Union.   (b) Customs union.

    (c) Common market.   (d) Free trade union.

9. The head quarter of Association of South East Asian Nations (ASEAN) is at :

    (a) Manila.   (b) Bangkok.

    (c) Kolalumpur.   (d) Jakarta.

10. Metzler Paradox explains that imposing a tariff would benefit :

    (a) Scarce factor.   (b) Abundant factor.

    (c) Both.   (d) None.

11. Which among the following shows a country's changing import capacity in relation to changes in its exports ?

    (a) Gross barter terms of trade.   (b) Commodity terms of trade.

    (c) Income terms of trade.   (d) Double factoral terms of trade.

12. Terms of trade is determined by :

    (a) PPC.   (b) Indifference curve.

    (c) Laffer curve.   (d) Offer curve.

                                                          (12 × ¼ = 3 weightage)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries 1 weightage.

13. Offer Curve.

14. New-protectionism.

15. International trade.

16. ASEAN.

17. Capital Saving technical progress.

18. Dumping.

19. Commodity Terms of Trade.

20. Leontief Paradox.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

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

21. Define Exchange Control. What are the methods of exchange control ?

22. How optimum tariff is determined ? Explain.

23. Critically examine the Technological Gap Theory.

24. Briefly discuss factor price equalization theorem.

25. What is WTO ? Explain its objectives and functions.

26. Examine the Circular Causation theory of Myrdal.

27. What is meant by manmade obstacles to trade ? Explain.

28. What is meant by an international cartel ? What are the objectives of international cartels?

29. What is Metzler Paradox ? Explain.

30. Give a short description about European Union.

31. What are the factors affecting Terms of Trade ? Explain

(8 × 2 = 16 weightage)

Part D (Essay Questions)

Answer any **three** *questions.*
Each question carries 4 weightage.

32. Critically examine the effects of tariff on partial and general equilibrium perspective.

33. Discuss the Prebisch-Singer secular deterioration of Terms of Trade hypothesis in relation to Under Developed Countries.

34. Critically evaluate the Opportunity Cost theory of International Trade.

35. Briefly examine the static and dynamic effects of customs union creation.

36. Discuss briefly the Stolper Samuelson and Rybczynski theorems.

(3 × 4 = 12 weightage)