IV Semester M.A. Degree (CBSS – Reg./Supple. (Including Mercy Chance)/Imp.) Examination, April 2021
(2014 Admission Onwards)
Economics/Applied Economics
ECO4C14 : INTERNATIONAL ECONOMICS – II

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions. **Each** question carries a ½ mark.

1. The theory of customs union is associated with
   a) WW Leontief
   b) Jacob Viner
   c) Alfred Marshall
   d) Paul Kruger

2. The topmost decision-making body of the WTO is
   a) Ministerial Conference
   b) Secretarial Conference
   c) WTO Summit
   d) Director of WTO

3. Which among the following is not a member of SAARC ?
   a) Maldives
   b) Pakistan
   c) Sri Lanka
   d) China

4. Foreign Institutional Investment (FII) is a
   a) Short term investment
   b) Long term investment
   c) Medium-term
   d) Both a and b

5. Which among the following is an agreement between two counterparties to exchange financial instruments or cashflows or payments for a certain time.
   a) Options
   b) Swaps
   c) Hedging
   d) Arbitrage

6. Trade creation and trade diversion is associated with
   a) Foreign exchange market
   b) IBRD
   c) Mundell-Fleming model
   d) Customs union

7. The Foreign Exchange Management (FEMA) Act was passed in the year

   a) 1990　　　　b) 2000　　　　c) 1999　　　　d) 2004

8. Which among the following is not an example of regional economic cooperation

   a) SAARC　　　　b) ASEAN　　　　c) ADB　　　　d) APEC　　　　(½×8=4)

PART – B

(Very Short Answers)

Answer **any eight** questions. **Each** question carries 2 marks. No answer should exceed **one** page.

9. Capital account.

10. Economic union.

11. Forward market.

12. UNCTAD.

13. Foreign exchange convertibility.

14. Economic integration.

15. MNCs

16. Flexible exchange rate system.

17. Current account convertibility.

18. IFC.

19. Trade diversion.

20. Hedging

21. External balance.

22. Shake in the tunnel approach.

23. Regional integration.

24. FEMA.　　　　(8×2=16)

PART – C

(Short Answers)

Answer **any four** questions. **Each** question carries **5** marks. No answer should exceed **two** and **a half** pages.

25. What are the important forms of international capital flows ?

26. What is meant by the foreign exchange market equilibrium ?

27. What is meant by international factor movements ?

28. Analyse the effects of customs union through general equilibrium analysis.

29. Distinguish between fixed and flexible exchange rate systems.

30. What is meant by J-curve effect ?

31. Elucidate the objectives of WTO.

32. What are the different forms of economic integration ?　　　　(4×5=20)

PART – D

(Long Essays)

Answer **any two** questions. **Each** question carries **10** marks. No answer should exceed **six** pages.

33. Analyse the effects of customs union using the partial equilibrium analysis.

34. Trace the origin, functions and objectives of IMF.

35. Make a comparative study of the absorption approach and monetary approach to the balance of payment.

36. Critically evaluate the purchasing power parity theory of exchange rates.

37. What is meant by regional economic integration ? Discuss the objectives of SAARC.

38. Examine the merits and demerits of FDI and FII.　　　　(2×10=20)