



Reg. No. :

Name :

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)
Examination, November 2014
(2010 Admn. Onwards)
ECONOMICS
Paper – VIII : International Economics

Time: 3 Hours

Max. Marks : 80

PART – A

Answer **all** questions. Objective type.

1. The way for a nation to become rich and powerful was to export more than it imported, according to

a) Mercantilists	b) Physiocrats
c) Classicals	d) None of these
2. Offer curves sometimes referred to as

a) Contract curves	b) ISO utility curves
c) Reciprocal demand curves	d) None of these
3. The difference between value of imported and exported is called

a) Balance of trade	b) Balance of payments
c) Terms of trade	d) Trade balancing
4. The Headquarters of GATT is located at

a) Geneva	b) Tokyo
c) Uruguay	d) Doha
5. The relationship between community indifference curves and trade indifference curves will be

a) Negative	b) Positive
c) Infinite	d) None of these



6. _____ theorem examines the effect of international trade on factor earnings and income distribution in the two nations.
- a) Comparative cost advantage b) Cobbweb
c) Factor price equalization d) Heckscher-Ohlin
7. International economics deals with the economic and financial _____ among nations.
- a) Independence b) Interdependence
c) Financial exclusivity d) All of these
8. The product cycle model was developed by
- a) Leontief b) Posner
c) Vernon d) Samuelson
9. The price of traded commodities is determined by
- a) Domestic demand and supply conditions
b) World demand and supply conditions
c) Longrun demand and supply conditions
d) None of these
10. The opportunity cost theory developed by Haberler in
- a) 1926 b) 1936
c) 1946 d) 1956

(10×1=10)

PART – B

Answer **any eight** questions.

11. Explain the scope and significance of International economics.
12. Distinguish between marginal rate of transformation and marginal rate of substitution.
13. What are the factors influencing terms of trade ?
14. What is offer curves ? Explain its origin and definition.
15. What is an export subsidy ? Explain different export subsidies.



16. What do you mean by currency swaps ? Explain.
17. Distinguish between trade creation and trade diversion.
18. Explain Marshall-Lerner mechanism.
19. What do you mean by stabilizing speculation ?
20. What is the basis of trade according to Ricardo ?
21. Explain the costs and benefits of a Tariff.

(8×3=24)

PART – C

Answer **any four** questions.

22. State the relationship between the international trade and nation's standard of living.
23. Explain the various methods of exchange control.
24. What is trade indifference curve ? How is it derived ?
25. Distinguish between Quota and Tariff. Explain the effects of an import quota.
26. What are the current trade problems of developing countries ?
27. Distinguish between Absolute and Relative Purchasing Power Parity Theories.

(4×5=20)

PART – D

Answer **any two** questions.

28. What is the relevance of international economic theories ? State the purpose behind them.
29. Explain the role played by WTO in promoting trade.
30. State the economies of scale and international trade.
31. What are the outstanding trade problems ? Explain.

(2×13=26)