Reg. No. : ....

Name : ....

K15P 0009

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.) Examination, November 2015
ECONOMICS/APPLIED ECONOMICS
(2014 Admn.)
ECO 3C11 : International Economics – I

Time : 3 Hours Max. Marks : 60

PART – A

Answer **all** questions (**Each** question carries **half** mark) :

1. The Stopler-Samuelson theorem deals with
   a) Exchange rate determination b) Income distribution
   c) Product distribution d) Terms of trade
2. Ricardo's comparative cost doctrine is based on the
   a) Reciprocal demand b) Absolute cost
   c) Labour theory of value d) None of these
3. The WTO was formed in the year
   a) 2005 b) 1985
   c) 1991 d) 1995
4. Terms of trade means
   a) Trade agreements
   b) The relationship between export prices and import prices
   c) An excess of imports over exports
   d) The terms and conditions on which a country participates in foreign trade
5. Metzler paradox explains that imposing a tariff would benefit
   a) Abundant factor b) Scarce factor
   c) Both d) None of these

P.T.O.

6. High-cost domestic production is replaced by low-cost import from the trading partner after the formation of customs union means there is
   a) Trade diversion b) Trade creation
   c) Trade exposition d) None of these
7. The imitation gap model of international trade was developed by
   a) M. V. Posner b) A. C. Pigou
   c) J. S. Mill d) I. B. Kravis
8. Selling a portion of commodity at a high price in the domestic market and the remaining output at a lower price in the foreign market is called
   a) Sporadic dumping b) Persistent dumping
   c) Predatory dumping d) None of these **($8 \times 1/_2 = 4$)**

PART – B

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

9. Offer curve.
10. Leontief paradox.
11. Optimum Tariff.
12. Compare tariff and quota.
13. What are the important factors affecting the terms of trade of a country ?
14. What are the different forms of economic integration ?
15. What is J-curve ?
16. Immiserizing growth.
17. What is dumping ? Explain different forms of dumping.
18. Laissez-faire.
19. State the difference between the devaluation and depreciation of currency. **(8×2=16)**

PART – C

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

20. Evaluate the Hotelling model of international trade.
21. Critically analyse the role of international trade in the economic growth of a LDC.
22. What are the advantages of free trade ?
23. Critically examine the Rybczynski theorem.
24. Examines the Stopler-Samuelson theorem.
25. Analyse the effects of tariff using the general equilibrium analysis model. **(4×5=20)**

PART – D

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

26. What is meant by Customs Union ? Explain the effects of Customs Union using the partial equilibrium analysis.
27. Examine the superiority of Heckscher-Ohlin theory of international trade over the classical theory.
28. Evaluate the statement, 'Ricardo's comparative cost doctrine is one of the unchallenged theories of international trade'.
29. Critically discuss the opportunity cost theory of international trade. **(2×10=20)**