



PART – D  
(Long Essay)

Answer **any two** questions not exceeding **450** words. **Each** question carries **4** weightage.

28. Examine the nature, scope and significance of international economics as a branch of economics.
29. Discuss the arguments used in favour of and against trade protectionism.
30. Theories of exchange rate determination.
31. Examine the Balance of Payment crisis in India. **(Weightage 4x2=8)**
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Reg. No. : .....  
Name : .....

IV Semester B.A. Degree (CCSS – Reg./Supple./Imp.)  
Examination, May 2015  
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS  
4 B06 ECO : International Economics  
(2012 Admn. Onwards)

Time : 3 Hours

Max. Weightage : 30

PART – A

Objective type questions (in bunches of **two**)

Choose the correct answer :

- The difference in relative commodity prices between two countries is actually based on
 

a) Factor endowment	b) Technology
c) Tastes	d) All of the above
- International trade is based on the concept of absolute advantage, according to
 

a) J. S. Mill	b) David Ricardo
c) Bertil Ohlin	d) Adam Smith
- Under fixed exchange rate system, the exchange rate is determined by
 

a) The nation's monetary authorities
b) The price of gold
c) The forces of demand and supply in the foreign exchange market
d) None of these
- Offer curve is related to
 

a) Terms of trade	b) Balance of payment
c) Balance of trade	d) Merchandise trade <b>(Bunch Weightage : 1)</b>



5. Autarky is a situation of
- a) Global recession                      b) No trade
- c) Free trade                                d) Colonial pattern of trade
6. Adam Smith argued in favour of
- a) Protection                                b) Free trade
- c) Self-sufficiency                        d) Government intervention
7. The terms of trade means
- a) An excess of imports over exports
- b) Trade agreements
- c) The relationship between export prices and import prices
- d) None of these
8. The bretton-woods system was based on
- a) Gold standard
- b) Fixed exchange rate
- c) Gold exchange standard
- d) Flexible exchange rate

**(Bunch Weightage :1)**

## PART – B

Short answer questions. Answer **any ten** of the following questions not exceeding **50 words each**. **Each** question carries **1** Weightage.

9. Labour theory of value
10. Import substitution strategy
11. Comparative advantage
12. Balance of trade

13. Fixed exchange rate
14. New protectionism
15. Exchange rate
16. Community indifference curve
17. Devaluation
18. Capital account
19. IMF
20. Reciprocal demand.

**(Weightage 1×10=10)**PART – C  
**(Short Essay)**

Answer **any five** not exceeding **150 words each**. **Each** question carries **2** Weightage.

21. Explain the different types of tariffs.
22. Examine the arguments made in favour of free trade.
23. Distinguish between internal trade and international trade.
24. What are the causes for BoP disequilibrium ?
25. Distinguish between balance of payment and balance of trade.
26. Explain the demand and supply analysis of foreign exchange rate determination.
27. Write short note on Portfolio investment.

**(Weightage 2×5=10)**