Reg. No. : ....

Name : ....

IV Semester B.A. Degree (CCSS – Supple./Imp.) Examination, May 2016
CORE COURSE IN ECONOMICS / DEVELOPMENT ECONOMICS
4B06 ECO : International Economics
(2012 and 13 Admissions)

Time : 3 Hours

Max. Weightage : 30

PART – A

Objective type questions (in bunches of **two**). Choose the correct answer.

1. Who is regarded as "Father of Economics" ?
   a) Alfred Marshall   b) Adam Smith
   c) Karl Marx   d) J. M. Keynes

2. The theory of comparative advantage is based on
   a) Differences in language
   b) Law of diminishing returns
   c) The labour theory of value
   d) Tariffs

3. The theory of reciprocal demand was propounded by
   a) David Ricardo
   b) Alfred Marshall
   c) Gottfried Haberler
   d) J. S. Mill

4. The tariffs imposed as a fixed percentage of the value of the commodity imported
   are called
   a) Specific tariff   b) Compound tariff
   c) Ad Valorem tariff   d) None of these   **(Bunch Weightage : 1)**

5. The terms of trade is determined by
   a) Indifference curve
   b) Production possibility curve
   c) Laffer curve
   d) Offer curve

6. Protectionism in international trade stands for
   a) Restricted trade policy
   b) Free trade policy
   c) Technological barrier
   d) None of these

7. The appropriate policy used to correct a deficit in Balance of Payments is
   a) Depreciation   b) Devaluation
   c) Appreciation   d) None of these

8. The headquarters of World Bank is in
   a) New York   b) Geneva
   c) Washington D.C.   d) Rome   **(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. Factor endowments

10. Tariff

11. Commodity terms of trade

12. Depreciation

13. Export promotion strategy

14. Import quota

15. Current account

16. International monetary fund

17. Forward exchange rate

18. Inter-regional trade

19. Reciprocal demand

20. Balance of trade.   **(Weightage 1×10=10)**

PART – C

Short essay. Answer **any five not** exceeding **150** words **each**. **Each** question carries **2** weightage.

21. Discuss the theory of Absolute advantage in international trade.

22. Define Quota. Examine the different types of quotas.

23. Examine the components of Balance of Payments.

24. Explain the measures for correcting BoP disequilibrium.

25. Discuss the factors affecting foreign exchange market.

26. Examine the major functions of IMF.

27. Explain the purchasing power parity theory.   **(Weightage 2×5=10)**

PART – D

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

28. Critically evaluate the Hecksher Ohlin theory.

29. What are the implications of trade liberalization for the economic development of developing nations ?

30. Define the flexible exchange rate system and mention its advantages and disadvantages.

31. Examine the Balance of Payment crisis in India.   **(Weightage 4×2=8)**

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