III Semester B.A. Degree (CBCSS – Supplementary)
Examination, November 2023
(2017 – 2018 Admissions)
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
3B04 ECO : International Economics

Time : 3 Hours

Max. Marks : 40

PART – A
(Very Short Answer Questions)

Answer **all** questions.

1. What do you mean by comparative advantage ?
2. What is meant by trade barrier ?
3. Define the concept balance of payment.
4. What do you mean by flexible exchange rate ?

(4×1=4)

PART – B
(Short Answer Questions)

Answer **any seven** questions.

5. Briefly explain the nature of international economics.
6. Explain the reasons for international trade.
7. What is meant by quota restrictions ?
8. What are the arguments in favour of protectionism ?
9. What is double-entry bookkeeping ?
10. Distinguish between a credit transaction and a debit transaction in balance of payment.
11. What are foreign exchange markets ?

P.T.O.

12. What is meant by a depreciation of the domestic currency ?
13. What is meant by Bretton Woods system ?
14. What do you mean by foreign portfolio investment ? How it is different from foreign direct investment ?

(7×2=14)

PART – C
(Short Essay Questions)

Answer **any four** questions.

15. Explain Ricardo's comparative advantage theory of international trade.
16. Describe different types of tariffs.
17. What is meant by current account of balance of payment ? What are the different ways by which current account deficit can be corrected ?
18. Explain the purchasing power parity theory of exchange rate determination.
19. Explain the lending operations of IMF.
20. What are the functions of IBRD ?

(4×3=12)

PART – D
(Essay Questions)

Answer **any two** Questions.

21. "Factor proportions and factor intensity provide the basis for export specialization." Comment.
22. Explain the effects of tariff in a partial equilibrium system.
23. Explain the mint parity theory of exchange rate determination.
24. Make a critical evaluation of the working of IBRD.

(2×5=10)