

Economics



K22U 2710

Reg. No. :

Name :

Third Semester B.A. Degree (CBCSS – Supplementary)
Examination, November 2022
(2016-18 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 absolute advantage ?
- 2. What is meant by terms of trade ?
- 3. Define the concept balance of trade.
- 4. What do you mean by fixed exchange rate ? (4x1=4)

PART – B

(Short Answer Questions.) Answer **any seven** questions.

- 5. Distinguish between international trade and inter regional trade.
- 6. What do you mean by factor intensity ? Distinguish between a labour-intensive commodity and a capital-intensive commodity.
- 7. What are the advantages of free trade ?
- 8. What do you mean by voluntary export restraints ?
- 9. Distinguish between foreign direct investment and foreign portfolio investment.
- 10. What do you mean by international capital movements ?

P.T.O.

K22U 2710



- 11. What is meant by balance of payment disequilibrium ?
- 12. Briefly explain the current account of balance of payment.
- 13. Give a brief account of exchange rate determination under flexible exchange rate system.
- 14. What do you mean by managed floating ? How it is different from flexible exchange rate system ? (7x2=14)

PART – C

(Short Essay Questions.) Answer **any four** questions.

- 15. Explain Adam Smith's theory of absolute advantage.
- 16. What is the infant-industry arguments for protection ? How must this argument be qualified ?
- 17. Explain various methods of correcting adverse balance of payments.
- 18. Explain the demand and supply analysis of exchange rate determination.
- 19. In what sense are international flows of productive resources a substitute for international commodity trade ?
- 20. Explain the implications of trade liberalization. (4x3=12)

PART – D

(Essay Questions.) Answer **any two** questions.

- 21. Critically examine the Heckscher-Ohlin theorem.
- 22. What is meant by balance of payments ? Explain the structure of BOP account of a country like India.
- 23. Explain the purchasing power parity theory of exchange rate determination.
- 24. Discuss the role of the World Bank in the development of poor countries. (2x5=10)