



K22P 3208

Reg. No. : .....

Name : .....

IV Semester M.A. Degree (CBSS – Reg./Supple./Imp.)  
Examination, April 2022  
(2018 Admission Onwards)  
**ECONOMICS/APPLIED ECONOMICS**  
**ECO4C14 : International Economics – II**

Time : 3 Hours

Max. Marks : 60

## PART – A

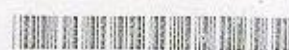
Choose the correct answer. Answer **all** questions. **All** questions carry **equal** marks.

1. Economic Union denotes
  - a) The highest form of economic integration
  - b) Customs union plus free mobility of factors
  - c) Uniform fiscal policy
  - d) All of these
2. Single currency of the European Union "Euro" was introduced in
  - a) January 1, 1999
  - b) January 1, 2000
  - c) January 1, 1995
  - d) January 1, 2001
3. An arrangement in which a group of countries agrees to eliminate tariffs among themselves and maintain their own external tariff on imports from the rest of the world is called
  - a) Preferential Trade Agreement (PTA)
  - b) Customs Union (CU)
  - c) Common Market (CM)
  - d) Economic Union (EU)
4. Which one of the following institution helps the member countries in the time of Balance of payments deficit ?
  - a) IMF
  - b) IBRD
  - c) IFC
  - d) All of these

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5. In floating exchange rate system
  - a) The government intervenes to influence the exchange rate
  - b) The BOP should always be in balance
  - c) The exchange rate should adjust to equate the supply and demand of the country
  - d) The BOP would always be in deficit
6. According to the Marshall-Lerner condition, currency depreciation has no effect on a country's trade balance if the elasticity of demand for its exports plus the elasticity of demand for its imports equals
  - a) 0.1
  - b) 0.5
  - c) 1.0
  - d) 2.0
7. Which of the following approach analyzes a nation's balance of payments in terms of money demand and money supply ?
  - a) Expenditures approach
  - b) Absorption approach
  - c) Elasticities approach
  - d) Monetary approach
8. According to the absorption approach ( $B = Y - A$ ), currency devaluation improves a nation's trade balance if
  - a) Y increases and A increases
  - b) Y decreases and A decreases
  - c) Y increases and/or A decreases
  - d) Y decreases and/or A increases

(1/2×8=4)

## PART – B

Answer **any eight** questions. **Each** question carries **2** marks and should **not** exceed **1** page **each**.

9. Distinguish between current account and capital account.
10. Explain the role of IBRD in the new international economic order.
11. What is currency swaps ?
12. Distinguish between 'put options and call options'.
13. What is meant by external balance and internal balance ?
14. What are the important objectives of WTO ?
15. Analyze the role of MNC in the diffusion of technology.