

Reg. No. :

Name :

III Semester M.A. Degree (CBSS – Reg./Sup./Imp.) Examination, October 2022
(2019 Admission Onwards)
ECONOMICS/APPLIED ECONOMICS
ECO3C11 : International Economics – I

Time : 3 Hours

Max. Marks : 60

- Instructions :** 1) Answer **all** questions in Part – A. All questions carry **equal** marks.
 2) Answer **any eight** questions in Part – B. Each question carries **two** marks. No answer should exceed **one** Page.
 3) Answer **any four** questions in Part – C. Each question carries **5** marks. No answer should exceed **two and a half** pages.
 4) Answer **any two** questions in Part – D. Each question carries **10** marks. No answer should exceed **six** pages.

PART – A

Choose the correct answer.

- Trade between two or more than two countries is known as
 A) Internal Business B) External Trade
 C) International Trade D) Unilateral Trade
- In the classical model of Ricardo, the direction of trade is determined by
 A) absolute advantage B) comparative advantage
 C) physical advantage D) which way the wind blows
- The Heckscher-Ohlin theory explains comparative advantage as the result of differences in countries :
 A) Economies of large-scale production
 B) Relative abundance of various resources
 C) Relative costs of labour
 D) Research and development expenditures

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- _____ refers to the tax imposed on imports.
 A) Imported Tax B) Tariffs
 C) Subsidies D) Import Quotas
- The product cycle theory of trade is essentially a
 A) static, short run trade theory B) dynamic, long run trade theory
 C) zero-sum theory of trade D) negative-sum theory of trade
- In his empirical test of comparative advantage, Wassily Leontief found that
 A) U.S. exports are capital intensive relative to U.S. imports
 B) U.S. imports are labour intensive relative to U.S. exports
 C) U.S. exports are neither labour nor capital intensive
 D) None of the above
- _____ means selling the products at a price less than on going price in the market.
 A) Quota B) Tariff
 C) Subsidy D) Dumping
- _____ is a group of countries agree to abolish all trade restrictions and barriers.
 A) Common market B) Economic Union
 C) Custom Union D) Free Trade Area

(8x½=4)

PART – B

- What do you mean by International trade ?
- Bring out the advantages of International Trade.
- What is free trade ?
- Distinguish between Bilateral trade and multi-lateral trade.
- Briefly explain the non-tariff restrictions on trade.
- Distinguish between specific and ad valorem tariff.

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- What is the meaning of Dumping ?
- What are the reasons for unfavourable terms of trade of under developed countries ?
- What do you mean by factor intensity reversal ?
- Bring out the impact of devaluation on terms of trade.
- What are types of import quotas ?

(8x2=16)

PART – C

- Briefly explain Haberler's opportunity cost theory of international trade.
- Explain the essence of the factor price equalization theory.
- Explain the concept of foreign trade multiplier.
- Briefly explain the Rybczynski theorem.
- Briefly explain the factors affecting terms of trade.
- Briefly explain the types of tariffs.

(4x5=20)

PART – D

- Explain the gains from International trade.
- Explain the Linders theory.
- Explain the effects of tariffs under partial equilibrium perspectives.
- Explain the role of International trade in economic development.

(2x10=20)