



K23P 1319

Reg. No. :

Name :

**III Semester M.A. Degree (CBSS – Reg./Supple./Imp.) Examination,
October 2023
(2020 Admission Onwards)
ECONOMICS/APPLIED ECONOMICS
ECO3C11 : International Economics – I**

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions.

- The theory of comparative cost advantage was developed by
 - Adam Smith
 - David Ricardo
 - A C Pigou
 - None of the above
- The H O theory postulates that as a result of trade the differences in factor prices between nations
 - Diminishes
 - Increases
 - Remains unchanged
 - None of the above
- Availability theory was developed by
 - Marshall
 - Nurkse
 - Porter
 - Kravis
- The value of foreign trade multiplier will be high under the condition when
 - Marginal propensity to save is high
 - Marginal propensity to import is high
 - There is increase in exports
 - Marginal propensity to consume domestic goods is high

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- _____ is the oldest International Trade Theory.
 - Country Similarity Theory
 - Theory of Absolute Cost Advantage
 - Product Life Cycle Theory
 - Mercantilism Theory
- _____ is a combination of an ad valorem and specific tariff.
 - Anti dumping tariff
 - Specified valorem tariff
 - EXIM tariff
 - A compound tariff
- As per Hecksher Ohlin theory of international trade, capital surplus countries import _____ commodities.
 - labour intensive
 - capital intensive
 - both
 - none of the above
- John Stuart Mill was the founder of the
 - Theory of reciprocal demand
 - Theory of absolute advantage
 - Theory of comparative advantage
 - Theory of mercantilism

(8×½=4)

PART – B

Answer **any eight** questions. **Each** answer should **not** exceed **one** page.

- What do you mean by foreign trade multiplier ?
- Define absolute cost advantage.
- Give a short note on Donald B Keesing's theory of international trade.
- Give a note on Devaluation.
- Explain in detail the static and dynamic gains from trade.
- Define quotas.
- What do you mean by Income terms of trade ?



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- Explain in detail the production and consumption effects of international trade.
- What are the various types of tariffs ?
- Define optimum tariff.
- Give reasons for unfavorable terms of trade of underdeveloped countries. (8×2=16)

PART – C

Answer **any four** questions. **Each** answer should **not** exceed **two and a half** pages.

- Briefly explain Neo-Hotelling models of international trade.
- Write a short essay on the arguments for and against free trade.
- Explain the various obstacles that stood in the way of factor price equalization theory.
- Explain how far international trade contribute to economic growth of a nation.
- Point out the main advantages of devaluation.
- Write a short essay on the Emmanuel's theory of unequal exchange. (4×5=20)

PART – D

Answer **any two** questions. **Each** answer should **not** exceed **six** pages.

- Write an essay on various effects of tariff.
- Give a detailed explanation on different types of economic integration.
- Briefly explain Stolper-Samuelson theorem.
- Critically examine Heckcher-Ohlin theorem associated with International trade. (2×10=20)