(6 pages)

Reg. No. : ....

Code No. : 5259   **Sub. Code : ZESM 14**

M.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

First Semester

Economics – Core

INTERNATIONAL ECONOMICS

(For those who joined in July 2021 onwards)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Technological gap model or Imitation Gap Model was developed by:
   (a) M.V. Posner
   (b) Samuelson
   (c) Ricardo
   (d) Kravis

2. Which one was replaced by WTO on January 1, 1995?
   (a) NAFTA   (b) IMF
   (c) IRDB   (d) GATT

3. Linder's theory of overlapping demand provides an explanation of:
   (a) Product life cycle theory
   (b) Factor endowment model
   (c) Economies of large-scale production
   (d) Intra industry trade

4. The Leontief paradox provided:
   (a) Support for the principle of absolute advantage
   (b) Support for the factor endowment model
   (c) Evidence against the factor endowment model
   (d) Evidence against the principle of absolute advantage

5. Which trade theory suggests that comparative advantage tends to shift from one nation to another as a product matures?

   (a) Inter industry trade theory

   (b) Intra industry trade theory

   (c) Product life cycle theory

   (d) Overlapping demand theory

6. Balance of Payments uses the——————— system of accounting.

   (a) Single-entry   (b) Double-entry

   (c) Cash basis   (d) Accrual basis

7. FDI is the formulation policy of which nodal department?

   (a) NABARD

   (b) SEBI

   (c) Department for promotion of industry and internal trade

   (d) RBI

8. The foreign trade multiplier (K f) is equal to:

   (a) $K f = \Delta X \Delta Y$ (b) $K f = \Delta X \Delta M$

   (c) $K f = \Delta S \Delta M$ (d) $K f = \Delta Y / \Delta X$

9. What is the period of new foreign trade policy of India?

   (a) 2012-2017   (b) 2013-2018

   (c) 2014-2019   (d) 2015-2020

10. The Stolper-Samuelson Theorem postulates that the imposition of tariff by a nation causes the real income of the nations.

    (a) both and abundant factors to rise

    (b) abundant factor to rise

    (c) scarce factor to fall

    (d) scarce factor to rise

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Explain the general features of modern theory of international trade.

    Or

    (b) Give the main assumptions of Stopler-Samuelson Theorem.

12. (a) Explain the Kenen's human capital theory.

Or

(b) What is intra-industry trade? Explain the types.

13. (a) Give the assumptions of Mundellian model.

Or

(b) What expenditure switching and expenditure reducing policies are?

14. (a) Explain the FDI policy in India.

Or

(b) Explain the role of MNC and international trade.

15. (a) What are the issues faced by India in WTO?

Or

(b) What is the impact of WTO on Indian agriculture?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the Rybczynski Theorem with diagram.

Or

(b) Critical Evaluation of Heckscher-Ohlin Theory of International Trade

17. (a) Explain the four stages of technological gap theory.

Or

(b) What are the advantage and disadvantages of vernon's product cycle theory.

18. (a) Critical evaluations of Mundallian model.

Or

(b) Explain the Swan's Model of Internal and External Stability.

19. (a) What are the Disadvantages of foreign direct investment?

Or

(b) What are the main factors determinants of foreign aid?

20. (a) Explain the structure of WTO.

Or

(b) What are the impacts of WTO on Indian economy?

———————