

(6 pages)

Reg. No. : .....

**Code No. : 5672**

**Sub. Code : KESE 11/  
PESE 11**

M.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2017.

First Semester

Economics

Elective — INTERNATIONAL ECONOMICS

(For those who joined in July 2016 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. Opportunity Cost of Comparative Cost Advantage Doctrine was introduced by
  - (a) Leontief
  - (b) Kindleberger
  - (c) Haberler
  - (d) Samuelson

2. Heckscher – Ohlin Theory of International Trade explains the emergence of trade, among the partners based on
  - (a) Imperfect Competition
  - (b) Intra – Regional trade
  - (c) Inter – Sectoral Balances
  - (d) Rate of exchange differences
3. Factors responsible for fluctuations in the export price of primary products of developing countries are
  - (a) Elastic and stable demand and supply
  - (b) Inelastic and stable demand and supply
  - (c) Elastic and unstable demand and supply
  - (d) Inelastic and unstable demand and supply
4. The Concept of Single – factor and Double-factor Terms of Trade have been given by
  - (a) Leontief
  - (b) Kindleberger
  - (c) Jacob Viner
  - (d) Haberler
5. FDI comes under
  - (a) Current account
  - (b) Capital account
  - (c) Official settlements account
  - (d) Errors and Omissions

Page 2

**Code No. : 5672**





6. Under fixed exchange system, the rate of exchange is determined by
- EU Commission
  - RBI
  - Planning Commission
  - New York Stock Exchange
7. An example of customs union is
- LAFTA
  - EU
  - SAARC
  - BRICS
8. The value of the SDR is based on a basket of key international currencies reviewed by IMF every
- Four years
  - Six years
  - Five years
  - Three years
9. WTO was formed in continuation of
- IBRD
  - IDA
  - GATT
  - None
10. The another name of SDR is
- Paper Currency
  - Credit Gold
  - Paper Gold
  - Gold Standard

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) State the importance of International Economics.

Or

- (b) On what grounds did Leontief criticise the H-O theory?

12. (a) Narrate the factors determining terms of trade.

Or

- (b) Briefly explain the theory of Immiserising Growth.

13. (a) Point out the structure of balance of payment.

Or

- (b) List out factors determining the exchange rate

14. (a) Mention the stages of economic integration.

Or

- (b) Point out the objectives of Asian Development Bank.





15. (a) Explain the functions of WTO.

Or

- (b) Bring out the objectives of SAARC.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Evaluate the Heckscher—Ohlin's model of international trade

Or

- (b) Discuss the Opportunity Cost of International Trade.

17. (a) Explain the factors which determine gains from trade.

Or

- (b) Explain different classifications of terms of trade.

18. (a) Give your arguments for and against flexible exchange rate.

Or

- (b) Evaluate the elasticity approach to balance of payment.

Page 5

Code No. : 5672

19. (a) Critically examine International Monetary Fund's role in least developed countries and developing countries.

Or

- (b) Give a detailed note on role played by affiliated institutions of World Bank's

20. (a) Describe the problems of SAARC.

Or

- (b) Analyse the various WTO agreements.

Page 6

Code No. : 5672

