(6 pages)

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B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

Third Semester

Economics — Core

INTERNATIONAL ECONOMICS – I

(For those who joined in July 2021 – 2022)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is Internal Trade?

    (a) Trade between regions

    (b) Trade between countries

    (c) Both (a) and (b)

    (d) None of these

2. The factor affecting International Trade

    (a) The Trade policy of the Government

    (b) The State of economic development

    (c) Political relations between the two trading countries

    (d) All the above

3. David Ricardo developed the classical theory of comparative advantage in ——————.

    (a) 1817   (b) 1819

    (c) 1829   (d) 1837

4. According to the Heckscher – Ohlin model, the source of comparative advantage is a Country's ——————.

    (a) Technology

    (b) Human capital

    (c) Factor Endowments

    (d) All of the above

5. Gross Barter Terms of Trade was developed by F.W. Taussig in ——————.

    (a) 1947   (b) 1931

    (c) 1925   (d) 1927

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6. Double Factorial Terms of Trade is calculated by ——————.

    (a) Multiplying Net Barter Terms of Trade

    (b) Gross Barter Terms of Trade

    (c) Single Factorial Terms of Trade

    (d) None of the above

7. Which of the following is not a component of the Balance and Payment?

    (a) Real Account

    (b) Current Account

    (c) Capital Account

    (d) None of these

8. Balance of payment uses the —————— system of accounting.

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

    (c) Cash basis   (d) Accrual basis

9. Free Trade is ——————.

    (a) A trade policy

    (b) It does not restrict Imports (or) Exports

    (c) Both (a) and (b)

    (d) None of the above

10. Who advocated protection in international trade for the growth of infant industries?

    (a) Benthan   (b) Keynes

    (c) Adam smith   (d) Marshall

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 pros of International Trade.

Or

    (b) Write a brief note on Internal Trade.

12. (a) Examine the opportunity cost theory.

Or

    (b) State the assumptions of Heckscher-Ohlin theory.

13. (a) Narrate the Net and Gross Barter Terms of Trade.

Or

    (b) Write the Single Factorial Terms of Trade.

14. (a) Distinguish between Balance of Trade and Balance of Payment.

Or

    (b) Indicate the elements of a Balance of Payment.

15. (a) Explain the 'Free Trade'.

Or

(b) Write a short note on 'Trade Protection'.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Discuss the defects of International Trade.

Or

(b) Distinguish between Internal Trade and International Trade.

17. (a) Critically examine the comparative Advantage Theory.

Or

(b) Describe the criticisms of Haberler theory.

18. (a) Explain the factors affecting terms of Trade .

Or

(b) Describe:

(i) Income Terms of Trade

(ii) Utility Terms of Trade

(iii) Real cost Terms of Trade

(iv) Double factoral Terms of Trade

19. (a) Elucidate the causes for disequilibrium in Balance of payment.

Or

(b) Explain the relationship between Terms of Trade and economic development.

20. (a) Discuss the case for and against Free Trade.

Or

(b) Describe the methods of Trade Protection.

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