

(6 pages)

Reg. No. :

Code No. : 22460 E Sub. Code : SSEC 3 A

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2020.

Third Semester

Economics — Main

Skill Based Subject — INTERNATIONAL
ECONOMICS – I

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The purpose of international trade in
 - (a) To correct in balance in payments
 - (b) To encourage exports
 - (c) To increase national income
 - (d) To promote international understanding

2. Which of the following is disadvantageous to developing countries from trade?
 - (a) protection
 - (b) employment loss
 - (c) export of primary and import of manufactured goods
 - (d) none of the above
3. Ricardo's doctrine of comparative advantage is based on
 - (a) The opportunity cost theory
 - (b) The labour theory of value
 - (c) The law of diminishing returns
 - (d) The law of returns to scale
4. Leontief paradox tries to invalidate the
 - (a) Absolute cost advantage theory
 - (b) Heckscher-Ohlin theorem
 - (c) Comparative cost theory
 - (d) Labour cost theory
5. The terms of trade measure
 - (a) The income of one country compared to another
 - (b) The GDP of one country compared to another
 - (c) The quantity of exports of one country compared to another
 - (d) Export prices compared to import prices

6. Who introduced the concept of single factorial and double factorial terms of trade?
- (a) Marshall (b) Edgeworth
(c) Jacob Viner (d) Haberler
7. A record of international transactions in financial assets
- (a) Current account
(b) Capital account
(c) Temporary account
(d) Permanent account
8. Let X = export and M = imports, then which of the following equations refer to the balance of trade?
- (a) $X - M = 0$ (b) $X - M = 1$
(c) $X + M = 1$ (d) $X + M = 0$
9. 'Nurse the baby, protect the child and free the adult' is related with
- (a) Infant industry argument
(b) Key industry argument
(c) Employment argument
(d) Anti-dumping argument

10. Protection encourages
- (a) Laissez-Faire (b) Competition
 - (c) Self-reliance (d) Division of labour

PART B — ($5 \times 5 = 25$ marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the Basics for trade.
- Or
- (b) Narrate the demerits of international trade.
12. (a) Explain Adam Smith theory of Absolute cost advantage.
- Or
- (b) Brief the Haberler's theory of trade.
13. (a) State and explain single factorial and double factorial terms of trade.

- Or
- (b) Define term of trade and indicate its importance.

14. (a) Distinguish between balance of trade and balance of payments.

Or

- (b) Account the causes for disequilibrium in Balance of Payments.

15. (a) Explain the forms of protection.

Or

- (b) Brief the types of dumping.

PART C — ($5 \times 8 = 40$ marks)

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

Each answer should not exceed 600 words.

16. (a) Distinguish between internal and international trade.

Or

- (b) List the advantages of international trade.

17. (a) Discuss the comparative cost advantage theory.

Or

- (b) Explain the Heckscher-Ohlin theory of international trade.

18. (a) Summarize the types of terms of trade.

Or

(b) Narrate the determinants of terms of trade.

19. (a) Elaborate the structure of balance of payments.

Or

(b) Discuss the methods of correcting disequilibrium in Balance of Payments.

20. (a) Explain the arguments for protection.

Or

(b) Give the case for and against free trade.
