

18. (a) Discuss the mechanism of the absorption approach to the Balance of Payments adjustment.

Or

- (b) Show with the help of partial equilibrium diagram, the price, protective, consumption, revenue and redistribution effects of tariff.
19. (a) Explain the static and dynamic effects of a customs union and free Trade area.

Or

- (b) Elucidate the causes for the economic progress of SAARC?
20. (a) What did the GATT do for the developing countries? Examine critically?

Or

- (b) Examine the achievements and failures of IBRD.

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M.A. (CBCS) DEGREE EXAMINATION, APRIL 2011.

Second Semester

Economics

INTERNATIONAL ECONOMICS

(For those who joined in July 2008 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

1. Define International Trade.
2. Write any two difference between International Trade and Inter regional Trade.
3. State the meaning of Intervention.
4. What is meant by Gross Bate Terms of Trade?
5. Define Balance of Payment.
6. What is current account?
7. Explained SAARC.

8. What is static effect?  
9. Explained GATT.  
10. What is TRIMS?

**PART B — (5 × 5 = 25 marks)**

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

11. (a) What are the difference between international trade and interregional trade?

Or

- (b) Describe Kravis theory of Trade?

12. (a) What are the gains from international Trade?

Or

- (b) What are the uses of Terms of Trade?

13. (a) Explain the monetary approach to the Balance of Payments problem.

Or

- (b) Examine the elasticity approach to the Balance of Payment problem.

14. (a) Explain the static effects of a customs union.

Or

- (b) What are the dynamic effects of a customs union?

15. (a) What are the objectives of IMF?

Or

- (b) List out the objectives of IBRD.

**PART C — (5 × 8 = 40 marks)**

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

16. (a) Examine the Rybczynski Theorem.

Or

- (b) Critically evaluate Stopler – Samuelson Theorem.

17. (a) Describe the measurement of gain from trade and their distribution.

Or

- (b) State and explain the concept of Terms of Trade.