

(6 pages)

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M.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2021

First Semester

Economics — Core

INTERNATIONAL ECONOMICS

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — ($10 \times 1 = 10$ marks)

Answer ALL questions.

Choose the correct answer :

1. According to comparative cost advantage theory, international trade is
 - (a) Positive-sum game
 - (b) Zero-sum game
 - (c) Deficit-game
 - (d) None of the above

2. According to Leontief's study us imports
 - (a) Labour-intensive goods
 - (b) Capital-intensive goods
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
3. According to Availability Doctrine, the term availability denotes
 - (a) An elastic demand
 - (b) An elastic Tariff
 - (c) An elastic production
 - (d) An elastic supply
4. The first stage in the product life cycle is
 - (a) New product stage
 - (b) Standardised product stage
 - (c) Maturing product stage
 - (d) Limiting product stage
5. Foreign direct investment comes in
 - (a) Current account of BOP
 - (b) Capital account of BOP
 - (c) Errors and omissions
 - (d) None of the above

6. According to Lerner conditions, will not be helpful, if the sum of elasticity of exports and imports
- (a) Less than unity
 - (b) Greater than unity
 - (c) Equal unity
 - (d) Zero
7. An aid is given directly by one country's government to that of another country's government is known as
- (a) Tied aid
 - (b) Unilateral aid
 - (c) Bilateral aid
 - (d) Project aid
8. If MPS and MPM are smaller, the value of trade multiplier would be
- (a) Zero
 - (b) Smaller
 - (c) Higher
 - (d) All the above
9. GATT was replaced by
- (a) IMF
 - (b) NAFTA
 - (c) IDA
 - (d) WTO

10. Example of WTO's Green Box
- (a) Environmental Protection
 - (b) Fund for internal food aid
 - (c) Research funding
 - (d) All the above

PART B — ($5 \times 5 = 25$ marks)

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

Each answer should not exceed 250 words

11. (a) Write a note on Leontief Paradox.
- Or
- (b) Explain Factors intensity reversal of commodities.
12. (a) Point out the theory of imperfect competition.
- Or
- (b) Expound the concept of intra industry trade.
13. (a) What is meant by BOP disequilibrium? And point out its causes.
- Or
- (b) Briefly explain the Mundallian model of internal and external stability.

14. (a) Write a note on different types of foreign aid.

Or

- (b) How is MNC and international trade related?

15. (a) Discuss the structure of WTO.

Or

- (b) Give a detail note on the objectives of WTO.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Examine the Comparative cost advantage theory of international trade.

Or

- (b) Assess the factor endowment theory of international trade.

17. (a) Discuss the life cycle of a typical product and its impact on international trade.

Or

- (b) Write a lucid note the Posner's Imitation Gap.

18. (a) Describe the elasticity approach to devaluation as the means to remove country's BOP deficit.

Or

- (b) Illustrate the Swan Model of internal and external balance.

19. (a) Describe advantages and disadvantages of foreign aid.

Or

- (b) Evaluate the role of FEMA on Indian economic reforms.

20. (a) Explain the impact of various colour boxes on trade development.

Or

- (b) Investigate WTO Agreements on Agriculture (AoA).
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