

(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 × 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 × 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).
