

(6 pages)

Reg. No. :

Code No. : 22452 E Sub. Code : SSEC 3 A

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2019.

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. Which one of the following is the main reason for international trade?
- (a) Technical advancement
 - (b) Tradition
 - (c) Geographical specialisation
 - (d) Political needs

2. International trade means

- (a) Trade between nations
- (b) Regional trade
- (c) Trade within nations
- (d) All of these

3. The classical theory of international trade was given by

- (a) Say
- (b) Ricardo
- (c) Mill
- (d) Adam smith

4. International trade is not possible under _____ difference in cost.

- (a) Absolute
- (b) Equal
- (c) Comparative
- (d) Absolutes and equal

5. The formula for gross barter terms of trade is

- (a) Q_m/Q_x
- (b) Q_x/Q_m
- (c) $N.Q_x$
- (d) $N.Q_m$

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6. The factors affecting terms of trade are
(a) Economic growth
(b) Tariff
(c) Devaluation
(d) All of these
7. Balance of Payment includes
(a) Balance of trade
(b) Visible items
(c) Invisible items
(d) All of these
8. Measures for solving balance of payment crisis is
(a) import substitution
(b) import promotion
(c) export substitution
(d) discourage tourism
9. _____ advocated free trade for the first time.
(a) J.S. Mill
(b) Physiocrats
(c) Adam Smith
(d) Ricardo

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

PART B — (5 × 5 = 25 marks)

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

Answer should not exceed 250 words.

11. (a) What is the basis of international trade?
Or
(b) List down the disadvantages of international trade.
12. (a) What are the assumptions of classical theory of international trade?
Or
(b) Explain the shortcomings of Heckscher – Ohlin theory.
13. (a) Elaborate the concept of terms of trade.
Or
(b) Explain income terms of trade.

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14. (a) Write a short note on balance of payment.

Or

- (b) What are the causes of disequilibrium in the balance of payment?

15. (a) Bring out the advantages of free trade.

Or

- (b) List down the arguments against protection policy.

PART C — (5 × 8 = 40 marks)

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

Answer should not exceed 600 words.

16. (a) Differentiate foreign trade from domestic trade.

Or

- (b) Explain the nature of international trade.

17. (a) Explain the comparative cost theory.

Or

- (b) How far H-O theory is more superior over classical theory of comparative cost?

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18. (a) Analyse the factors that affecting terms of trade.

Or

- (b) Explain the causes responsible for adverse terms of trade in less developed countries.

19. (a) Explain the principal items in the balance of payment of a country.

Or

- (b) Narrate the methods of correcting disequilibrium in the balance of payment.

20. (a) Explain the arguments against free trade.

Or

- (b) Analyse the economic arguments for protection.

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