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

First Semester

Economics

Elective — INTERNATIONAL ECONOMICS

(For those who joined in July 2016 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions

Choose the correct answer :

1. The Bretton woods system
  - (a) preceded the gold standard
  - (b) was identical to the gold standard
  - (c) was established after world war-II
  - (d) lasted until 1982

2. An empirical contradiction of Heckscher - Ohlin International trade theory that international trade is based on the relative factors endowments of different countries.

- (a) Gibson paradox
- (b) Keynes paradox
- (c) Lerner paradox
- (d) Leontief paradox

3. According to Adam Smith mutually beneficial trade is based on the principle of.

- (a) Absolute advantage
- (b) Comparative advantage
- (c) Internal advantage
- (d) External advantage

4. The classical economics focused their attention primarily on

- (a) The gains from trade
- (b) Asymmetric information
- (c) Protection
- (d) Fiscal policy



5. The classical theory of international trade is based on.
- (a) Equilibrium theory of value
  - (b) Surplus theory of value
  - (c) Value in use and value in exchange
  - (d) Labour theory of value
6. Balance of payments.
- (a) is always in deficit
  - (b) is always favorable
  - (c) is partly favorable and partly in deficit
  - (d) always balances.
7. Loans for correcting dis-equilibrium in the balance of payments are given by.
- (a) IMF
  - (b) IBRD
  - (c) ADB
  - (d) ECM
8. The international monetary fund came into existence with.
- (a) Berlin conference
  - (b) London conference
  - (c) Bretton Woods conference
  - (d) Rome conference

9. The price at which two currencies exchange is called as
- (a) Devaluation
  - (b) Depreciation
  - (c) Revolution
  - (d) Exchange rate
10. The World Trade organisation (WTO) Replaced.
- (a) OECD
  - (b) UNCTAD
  - (c) GATT
  - (d) OPEC

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) What are the Importance of International Economics
- Or
- (b) Explain about Leontief paradox.
12. (a) Write a note on immiserising growth.
- Or
- (b) Discuss about the free trade.



13. (a) Distinguish between balance of trade and balance of payment

Or

- (b) Explain the economic effects of tariff

14. (a) What are the functions of Asian Development Bank?

Or

- (b) Explain the International negotiations

(i) Bilateral

(ii) Multi-lateral

15. (a) Write a note on objectives of SAARC (South Asian Association of Regional Co-operation).

Or

- (b) Write short note on TRIPS and TRIMS.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Evaluate the Hecksher - Ohlin's model of International trade.

Or

- (b) Critically examine the criticism of factor endowment theory.

17. (a) Comment on the gains from trade

Or

- (b) Explain the arguments for and against of free trade policy

18. (a) Discuss the merits and demerits the fixed exchange rate

Or

- (b) Explain the causes of disequilibrium in the balance of payments and suggest the corrective measures.

19. (a) Examine the achievements and failure of IMF.

Or

- (b) Explain the various methods of exchange control

20. (a) Explain the features and defects of Multi - National corporations

Or

- (b) Discuss the functions of WTO.

