Reg. No. : ....

Code No. : 10536 E   Sub. Code : CMEC 32

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Third Semester

Economics — Core

INTERNATIONAL ECONOMICS — I

(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. Trade between two countries can be useful if cost ratios of goods are

    (a) undetermined   (b) decreasing

    (c) equal   (d) different

2. International trade and internal trade differ because of

    (a) Different government policies

    (b) Immobility of factors

    (c) Trade restrictions

    (d) All of the above

3. In the Ricardian model, trade patterns depend on

    (a) Productivity differences

    (b) Export differences

    (c) Marketing differences

    (d) None of these

4. Who is the father of opportunity cost theory?

    (a) Gottfrid Haberler

    (b) David Ricardo

    (c) Alfred Marshall

    (d) John Haberler

5. The 'terms of trade' was coined by

    (a) Robert Torrens

    (b) Frank William Taussing

    (c) David Ricardo

    (d) Joseph

6. Gross Barter terms of trade was developed by F.W. Taussig in ————

    (a) 1947   (b) 1931

    (c) 1925   (d) 1927

7. The components of a balance of payment account are ————

    (a) Capital account (b) Current account

    (c) Both (a) and (b) (d) None

8. Balance of trade is the ————

    (a) difference between export and import of services

    (b) difference between export and import of goods

    (c) both (a) and (b)

    (d) none

9. Free trade policies is/are

    (a) trade of goods without taxes

    (b) trade of services without taxes

    (c) absence of restrictions

    (d) all of the above

10. Protection takes various form(s)

    (a) Import tariffs   (b) Subsidies

    (c) Quotas   (d) All of 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) Explain the need for international trade.

    Or

    (b) Write a brief note on internal and external trade.

12. (a) State the assumptions of comparative advantage theory.

    Or

    (b) Narrate the defects of Haberler's model.

13. (a) Write a brief note on terms of trade.

    Or

    (b) Explain the concept of real cost terms of trade.

14. (a) Explain the concept of balance of trade.

    Or

    (b) Describe the structure of balance of payment.

15. (a) Explain the need for free trade.

Or

(b) Write a brief note on "Trade protection".

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 600 words.

16. (a) Discuss the nature and scope of international trade.

Or

(b) Explain the merits and demerits of international trade.

17. (a) Elucidate the opportunity cost theory.

Or

(b) Critically examine Heckscher - Ohlin theory.

18. (a) Explain the determinants of terms of trade.

Or

(b) Explain :

(i) Gross and net barter terms of trade

(ii) Single factoral and double factoral terms of trade.

19. (a) Describe the methods of correcting disequilibrium in balance of payments.

Or

(b) Describe the recent trends in balance of payment.

20. (a) Analysis the case for and against free trade.

Or

(b) Examine the methods of trade protection.

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