



Reg. No. :

Name :

Sixth Semester B.A. Degree Examination, April 2019

First Degree Programme under CBCSS

ECONOMICS

Core Course – XIV

EC 1644 : International Economics

(2015 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences (Attempt **all** questions).

1. Terms of trade.
2. Opportunity cost.
3. Gains from trade.
4. Balance of payments.
5. Exchange rate.
6. FDI.
7. Free trade.
8. Devaluation.
9. Spot rate.
10. Tariff.

(10×1=10 Marks)

SECTION – II

Answer **any eight** questions **not** exceeding **one** paragraph. **Each** question carries **2** marks.

11. Distinguish between internal and international trade.
12. What does the subject matter of International Economics ?

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13. Define foreign trade multiplier.
 14. How is rate of exchange determined under gold standard ?
 15. What are the gains from trade ?
 16. How to calculate real exchange rate ?
 17. Explain the merits of fixed exchange rate system.
 18. What is meant by the Leontief paradox ?
 19. Write down the importance of international liquidity.
 20. What is the difference between a nominal tariff and an effective tariff ?
 21. Why do countries use quotas ?
 22. Distinguish between regionalism and multilateralism.
- (8×2=16 Marks)

SECTION – III

Answer **any six** questions **not** exceeding **120** words. **Each** question carries **4** marks.

23. Write down the important international economic problems facing the world today.
24. Discuss the Heckscher-Ohlin model.
25. Describe the different concepts of terms of trade. Explain the factors which influence the terms of trade.
26. Explain Marshall-Lerner conditions.
27. What are the advantages of flexible exchange rate system ?
28. Why FDI is important for developing countries ?
29. Write down the role of international trade in economic development.
30. Explain the main features of Customs Union.
31. Explain the role of IMF in solving the problem of international liquidity.

(6×4=24 Marks)

SECTION – IV

Answer **any two** questions **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Critically evaluate classical theory of international trade.
33. What is meant by economic integration ? Examine the benefits of economic integration of developing countries.
34. Discuss in detail the tariff and non-tariff barriers of international trade.
35. Examine the objectives and functions of WTO.

(2×15=30 Marks)