

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BA DEGREE EXAMINATION DECEMBER 2018
(Third Semester)**

Branch – **ECONOMICS**

INTERNATIONAL ECONOMICS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 What is International Trade?
- 2 Define Production possibility curve.
- 3 What is terms of trade?
- 4 What is exchange control?
- 5 Define Exchange rate.
- 6 What is Balance of Payment?
- 7 What do you understand by ADB?
- 8 Expand SAARC. Who are the members of SAARC?
- 9 Define Globalization.
- 10 What is Import substitution?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a What are the differences between international trade and inter-regional trade?
OR
- b Explain Adam Smith's theory of absolute cost advantage.
- 12 a What are the types of import quotas?
OR
- b State the case for and against free trade.
- 13 a Explain the purchasing power parity theory of exchange rates.
OR
- b What are the causes for fluctuations in the exchange rate?
- 14 a Explain the various activities of World Bank.
OR
- b What are the objectives of ADB?
- 15 a Write a brief note on Liberalization.
OR
- b Briefly explain the composition of India's foreign trade.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain the doctrine of "Comparative Costs" as estimated by David Ricardo.
- 17 Enumerate the various methods of exchange control.
- 18 Describe the methods of correcting disequilibrium in the balance of payments.
- 19 Briefly the various functions of IMF.
- 20 Discuss the growth and trends of foreign exchange reserves of India.