

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2017  
(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 community indifference curve?
- 2 Define international trade.
- 3 Write the formula of net barter terms of trade.
- 4 What do you mean by free trade?
- 5 What is meant by arbitrage?
- 6 Write the meaning of exchange rate.
- 7 Write the full forms (expansion) of IBRD and SAARC.
- 8 What does Brexit mean?
- 9 What does composition of foreign trade of a country indicate?
- 10 What is export promotion?

**SECTION - B (25 Marks)**

Answer ALL Questions

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

- 11 a Explain absolute cost advantage theory of international trade.  
OR  
b Explain supply side of international trade equilibrium using production possibility curve. '
- 12 a Write a note on income terms of trade.  
OR  
b Give your arguments in support of free trade.
- 13 a What are the merits of flexible exchange rate system?  
OR  
b Criticise the balance of payment theory of exchange rate determination.
- 14 a Write the functions of IMF.  
OR  
b Examine the functions of UNCTAD.
- 15 a Give an account on direction of foreign trade of India.  
OR  
b State and briefly explain the export promotion measures implemented in India.

**SECTION - C (30 Marks)**

Answer any THREE Questions

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

- 16 Analyse modern theory of international trade.
- 17 Explain various types of import quota.
- 18 Describe equilibrium exchange rate determination according to purchasing power parity theory.
- 19 Discuss the origin objectives and organisational structure of WTO.
- 20 Elucidate the features of liberalization and Globalisation.