

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

**MA DEGREE EXAMINATION DECEMBER 2024
(First Semester)**

Branch - ECONOMICS

GLOBAL ECONOMIC THEORIES AND POLICIES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	According to Eli Heckscher and Bertil Ohlin the differences in commodity price arise because of difference in _____ in countries. a) Comparative cost advantage b) Factor endowments c) Relative cost differences d) Technology adoption	K2	CO1
	2	The responsiveness of capital labour ratio (K/L) to changes in Marginal rate of Substitution (MRS) describes a) Elasticity of substitution b) Elasticity of Demand b) Technical Substitution d) Imitation Gap	K2	CO1
2	3	$U = U_{m1} / U_{m0} / U_{A1} / U_{A0}$ is developed by a) G.S.Dorrance b) H.Staehle c) F.W.Taussig d) Jacobviner	K2	CO1
	4	The Brander-Krugman model of Intra-Industry Trade is based on a) Perfect Competition b) Monopolistic Model c) Oligopolistic Model d) Duopoly Model	K2	CO1
3	5	When the duty is levied as a fixed percentage of value of the commodity is called as a) Compound Tariff b) Specific Tariff c) Protective Tariff d) Ad valorem Tariff	K2	CO1
	6	The rate at which the currency of one country is exchanged for the currency of another country is termed as a) Foreign Exchange Market b) Rate of Exchange c) Hedging d) Arbitrage	K2	CO1
4	7	The difference between the value of merchandise exports and the value of merchandise import is denoted as a) Balance of payments b) Deficit or surplus c) Balance of trade d) Disequilibrium	K2	CO1
	8	The deliberate government decision to reduce the value of Home Currency against the foreign currencies is called as a) Exchange depreciation b) Devaluation c) BOP deficit d) BOP surplus	K2	CO1
5	9	World Trade Organization(WTO) came into existence in a) 1995 b) 1996 c) 1994 d) 1993	K2	CO1
	10	TRIMS =? a) Trade Related Institute of Management System b) Technology Related Investment and Monetary System c) Trade Related Investment Measures d) Trade Related Intellectual Management	K2	CO1

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the W.W.Leontief Paradox.	K2	CO1
		(OR)		
	11.b.	Illustrate the singer prebish hypothesis.		
2	12.a.	Identify the differences between potential and actual gain from trade.	K3	CO2
		(OR)		
	12.b.	Choose the factors affecting terms of trade.		
3	13.a.	Explain the theory of Optimum Tariff and Welfare.	K2	CO3
		(OR)		
	13.b.	Summarise the functions of Foreign Exchange market.		
4	14.a.	Construct the structure of Balance of Payments.	K3	CO2
		(OR)		
	14.b.	How autonomous and accommodating transactions bring the equilibrium in BOPs?		
5	15.a.	Plan the Instruments of Trade Policy.	K3	CO3
		(OR)		
	15.b.	Consider the features of New EX-IM Policy in India.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Construct the Hecksher-Ohlin theory of international trade.	K3	CO5
2	17	Develop the classification of terms of trade.	K3	CO3
3	18	Identify the effects of Tariffs.	K3	CO3
4	19	Organise the measures to correct disequilibrium in BOPs.	K3	CO4
5	20	Construct an essay on Word Trade organization agreements and India.	K3	CO5

Z-Z-Z END