

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
MA DEGREE EXAMINATION MAY 2025
(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	Show the classical theory of International trade was originally developed by a) Adam Smith b) Marshall c) Pigou d) Malthus	K1	CO1
	2	Outline the Heckscher and Ohlin have explained the basis of International Trade in terms of a) Factor Endowments b) Factor Price c) Factor at Cost d) Capital	K2	CO1
2	3	Find the concept of income terms of trade reflects. a) Capacity to Import b) Capacity to export c) Production d) neither of the A and B	K1	CO2
	4	Relate the dynamic gains from trade compared with static gains have. a) More Significance b) Less Significance c) Equal Significance d) All the Above	K2	CO2
3	5	Choose the Optimum tariff rate for a country is the rate that maximizes. a) Quantity of Imports b) Terms of Trade c) Balance of Trade d) Welfare	K1	CO3
	6	Show the Physical restriction on the quantity of some goods that may be imported during a specific time period is called a) Import Quota b) Export Quota c) Export and Import Quota d) Quotas	K2	CO3
4	7	Tell the Balance of Payments is the account related to a) Transaction in Goods b) Transaction in services c) Capital Transaction d) All the Above	K1	CO4
	8	The fundamental disequilibrium of BoP is caused by a) Seasonal Fluctuations b) Structural Changes c) Equal Seasonal Fluctuations d) Surplus	K2	CO4
5	9	Which is the Important aspects of World Trade Agreement Include? a) TRIM b) Reduction in Tariff c) TRIPS d) All the Above	K1	CO5
	10	Doha round of WTO negotiations started in a) 2003 b) 2005 c) 2006 d) 2007	K2	CO5

Cont...

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 factor Endowments Theory.	K2	CO1
	(OR)			
	11.b.	Relate the Leontief Paradox & Limitation.		
2	12.a.	Identify the factors determining the gains from trade.	K3	CO2
	(OR)			
	12.b.	Select the Net – Barter terms of trade and Gross – Barter terms of trade.		
3	13.a.	Utilise the Types of Tariff.	K3	CO3
	(OR)			
	13.b.	Solve the Various Effects of Import Quota.		
4	14.a.	Compare the Balance of Trade & Balance of Payments.	K4	CO4
	(OR)			
	14.b.	Examine the Disequilibrium in Balance of Payments.		
5	15.a.	Analyse the Functions of WTO.	K4	CO5
	(OR)			
	15.b.	Assume the Political Economy of Trade Policy.		

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	Examine the Empirical tests for the Hecksher Ohlin Theorem.	K4	CO1
2	17	List out the factor affecting Terms of Trade.	K4	CO1
3	18	Classify the Methods of Exchange Control.	K4	CO1
4	19	Simplify the National Income Accounting for open Economy, BoP and Transaction Accounting.	K4	CO1
5	20	Examine the Structure of GATT, TRIPS and TRIMS.	K4	CO1