

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MA DEGREE EXAMINATION DECEMBER 2022
(First Semester)

Branch –ECONOMICS

GLOBAL ECONOMIC THEORIES AND POLICIES

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 Factor abundance is considered to be part of international trade
 - (i) Comparative cost advantage theory
 - (ii) Factor Equalization theorem
 - (iii) Heckscher Ohlin theory of international trade
 - (iv) New Trade theory

- 2 Which of the following one is the ratio between the price of a country's export goods and import goods?
 - (i) Net barter terms of trade
 - (ii) Terms of trade
 - (iii) Income terms of trade
 - (iv) Utility terms of trade

- 3 _____ is a fixed percentage on the value of the traded commodity.
 - (i) Anti-dumping duty
 - (ii) Specific tariff
 - (iii) Ad Valorem tariff
 - (iv) A compound tariff

- 4 Imports of machinery and equipment are recorded in the _____ account of the general ledger.
 - (i) From a credit standpoint, the present
 - (ii) On the debit side, the current account balance
 - (iii) On the negative side of the ledger, the capital
 - (iv) Credit-related capital

- 5 _____ was established by a multilateral treaty of 23 countries in 1947.
 - (i) WTO
 - (ii) UN
 - (iii) GATT
 - (iv) NAFTA

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a) Sketch the Classical Theory of International Trade.
OR
b) State the Factor Intensity Reversals.

- 7 a) Differentiate the Static and Dynamic gains from trade.
OR
b) Explain the utility terms of trade.

- 8 a) Show the Types of Tariffs.
OR
b) Discuss the methods of exchange control.

- 9 a) Sketch the structure of balance of payments.
OR
b) Compare the Balance of Trade and Balance of Payments.

Cont...

10 a) Classify the Instruments of trade policy.

OR

b) Differentiate the TRIMs and TRIPs.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11 a) Analyse the Heckscher-Ohlin theory of international trade.

OR

b) Elucidate the Leontief paradox.

12 a) Discuss the Factors determining the gains from trade.

OR

b) Assess the Factors affecting terms of trade.

13 a) Analyse the theorem of 'Effects of a tariff on income distribution' by Stolper-Samuelson.

OR

b) Enumerate the Effects of import quotas.

14 a) Predict the measures to correct deficit in balance of payments.

OR

b) Invent the disequilibrium in balance of payments.

15 a) Evaluate the Trade policy of India.

OR

b) Interpret the structure and functions of WTO.

Z-Z-Z

END