

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2024
(Fifth Semester)

Branch – ECONOMICS

INTERNATIONAL ECONOMICS

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. International trade contributes and increases the world _____
 - a. Population
 - b. Inflation
 - c. Economy
 - d. Trade Barriers
2. The terms of trade measure _____
 - a. The income of one country compared to another
 - b. The GDP of one country compared to another
 - c. The quantity of exports of one country compared to another
 - d. Export prices compared to import prices
3. The price of one currency in terms of other currency is called _____
 - a. Foreign exchange Rate
 - b. Flexible rate of exchange
 - c. Current rate of exchange
 - d. None of the above
4. World Bank headquarters located at _____
 - a. Switzer land
 - b. Washington
 - c. New York
 - d. Paris
5. _____ refers to the tax imposed on imports.
 - a. Imported Tax
 - b. Tariffs
 - c. Subsidies
 - d. Import Quotas

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a) Bring out the importance of International Trade.
(Or)
b) Explain the Absolute cost theory.
7. a) Outline the objectives of exchange control.
(Or)
b) Show the Importance of free Trade.
8. a) State the steps involved in Purchasing Power Parity Theory.
(Or)
b) Bring out the Importance of current account in Bop.
9. a) Sketch out the functions of IDA.
(Or)
b) Narrate the functions of IMF.
10. a) Analyze the advantages of Globalization.
(Or)
b) Summarize the importance of Import substitution.

Cont...

SECTION -C (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks

(5 x 6 = 30)

11. a) Discuss the Heckscher – Ohlin theory.
(Or)
b) Analyse the Porter's model for International trade.
12. a) Distinguish the Tariff and Quotas.
(Or)
b) Enumerate the various kinds of terms of trade.
13. a) Examine the purchasing Power Parity Theory.
(Or)
b) Elucidate the features of Devaluation.
14. a) Summarize the functions of world trade organization.
(Or)
b) Identify the Advantages of GATT.
15. a) Outline the advantages and disadvantages of LPG.
(Or)
b) Highlight the importance of foreign exchange Reserve.

Z-Z-Z

END