

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MA DEGREE EXAMINATION DECEMBER 2023
(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 x 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Factor intensity is measured in _____ terms. a. Absolute cost b. Factor ratios c. Relative cost d. Frequency of capital labour	K1	CO1
	2	International trade theory which provides that capital intensive country should export labour – intensive goods and import capital goods is referred as: a. Theory of comparative b. Leontief Paradox c. Heckscher – Ohlin theory d. Merchantism	K2	CO1
2	3	Who introduced the concept of Gross barter terms of trade? a. Adam Smith b. David Ricardo c. Alfred Marshal d. F.W. Taussig	K1	CO2
	4	Terms of trade of a country: a. Mean the trade agreement between trading countries b. Is another name of exchange ratio of two currencies c. Show the ratio between total export earnings and import bill of a country d. Are determined by the price index of export and import goods	K2	CO2
3	5	A theory of exchange rate whereby a unit of any given currency should be able to buy the same quantity of good in all countries is called as: a. Purchasing power parity theory b. The Fisher Effect c. The Mint Parity theory d. Interest rate parity theory	K1	CO3
	6	The Stolper-Samuelson Theorem postulates that the imposition of tariff by a nation causes the real income of the nation's a. Abundant factors to rise b. Scarce factors to fall c. Scarce factor to rise d. All of the above	K2	CO3
4	7	Balance of Payments is an accounting statement that records monetary transactions between _____. a. Residents of a nation and the rest of the world b. Non-residents and the rest of the world c. Residents of a nation and non-residents d. None of the above	K1	CO4
	8	Foreign exchange transactions that are independent of other activities in the Balance of Payments account are _____ transactions. a. Capital account b. Current account c. Accommodating d. Autonomous	K2	CO4
5	9	TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement is administered by the _____. a. World Bank (WB) b. United Nations Organization (UNO) c. World Trade Organization (WTO) d. United Nations Conference on Trade and Development (UNCTAD)	K1	CO5
	10	When did the World Trade Organization come into effect? a. March 6, 1996 b. April 8, 1994 c. February 5, 1994 d. January 1, 1995	K2	CO5

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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 factor intensity reversal of Heckscher-Ohlin model.	K2	CO1
		(OR)		
	11.b.	Illustrate the center periphery theory by Raul Prebisch and Hans Singer.		
2	12.a.	List out the factors affecting terms of trade.	K3	CO2
		(OR)		
	12.b.	Distinguish between the static and dynamic gains in international trade.		
3	13.a.	Develop the Stolper and Samuelson theorem.	K3	CO3
		(OR)		
	13.b.	Build the Mint Parity theory of exchange rate.		
4	14.a.	Distinguish between the balance of trade and balance of payment.	K4	CO4
		(OR)		
	14.b.	Examine the disequilibrium of balance of payment.		
5	15.a.	Classify the various functions of WTO.	K4	CO5
		(OR)		
	15.b.	Evaluate the role of WTO and 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	Examine the empirical evidence of the Heckscher Ohlin theorem with the help of Illustration.	K4	CO1
2	17	Evaluate the Paul Krugman intra and inter industry trade.	K4	CO2
3	18	Relationships between the Optimum tariff and welfare. And explain the effects of a tariff on income distribution.	K4	CO3
4	19	Discuss the importance of balance of payments.	K4	CO4
5	20	Sketch out the structure of GATT.	K4	CO5

Z-Z-Z

END