PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2022
(Fifth Semester)

Branch – ECONOMICS

INTERNATIONAL ECONOMICS

Time: Three Hours   Maximum: 75 Marks

SECTION-A (10 Marks)
Answer ALL questions
ALL questions carry EQUAL marks   (10 x 1 = 10)

1   The Classical example given by Ricardo to explain the principle of comparative cost advantage.
  (i)   Shoes and hats   (ii) Lawer and typist
  (iii) Bicycle and Calculator   (iv) Rice and wheat

2   Factor price equalization theory was developed by
  (i)   Adam Smith   (ii) Samuelson
  (iii) David Ricardo   (iv) Haberlar

3   Optimum tariff rate for a country is the rate that maximize
  (i)   Quantity of imports   (ii) Terms of Trade
  (iii) Balance of Trade   (iv) Welfare

4   The most important non-tariff trade barriers are
  (i)   Transport regulations   (ii) Health regulations
  (iii) Quotas   (iv) Packing regulations

5   Foreign Direct Investment (FDI) comes under
  (i)   Current Account   (ii) Official reserve account
  (iii) Capital account   (iv) Revenue account

6   BoPs is in equilibrant when
  (i)   The demand for foreign exchange is exactly equal to the supply of it,
  (ii) The demand for foreign exchange is not exactly equal to the supply of it.
  (iii) Both (a) and (b).
  (iv) None of the above

7   Which agency is more associated to world trade?
  (i)   ADB   (ii) UNCTAD
  (iii) UND   (iv) WTO

8   The headquarter of ADB is
  (i)   Manila   (ii) New Delhi
  (iii) Islamabad   (iv) Kathmandu

9   International trade and domestic trade differ because of:
  (i)   Different government policies   (ii) Immobility of factors
  (iii) Trade restrictions   (iv) All of the above

10   Government policy about exports and imports is called
  (i)   Commercial policy   (ii) Fiscal policy .
  (iii) Monetary policy   (iv) Finance policy

SECTION - B (25 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks   (5 x 5 = 25)

11   a   Write a brief note on Production Possibility Curve.
             OR
   b   Differentiate Indifference curves and offer curve.

12   a   List out the objectives of Exchange Control.
             OR
   b   Distinguish between terms of trade and balance of payments.

13   a   Describe the Mint Parity Theory.
             OR
   b   Sketch the structure of balance sheet.

14   a   Point out the objectives of IBRD.
             OR
   b   Narrate a note on ADB and UNCTAD.

15   a   State the brief note on liberalization.
             OR
   b   Distinguish between Foreign Aid and Foreign Loan.

SECTION -C (40 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks   (5 x 8 = 40)

16   a   Analyze the Modern Theory of International Trade.
             OR
   b   Examine the Maurice Obsfeld Model.

17   a   Discuss the types of terms of Trade.
             OR
   b   Elucidate the methods of exchange control.

18   a   Expound the types of exchange rate.
             OR
   b   Enumerate the methods to correct disequilibrium in the balance of payments.

19   a   Summarise the functions of WTO.
             OR
   b   Discuss the role of IMF in the economic development of a country.

20   a   Examine the Foreign Trade and foreign trade policies in India.
             OR
   b   Analyze the impact of Economic reforms in India's Trade.

Z-Z-Z   END