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S – 1448

Reg. No. :

Name :

Fifth Semester B.A. Degree Examination, December 2023

First Degree Programme under CBCSS

Economics

Core Course X

EC 1545 : INTERNATIONAL ECONOMICS

(2019 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences. Each question carries **1** mark.

1. Offer curve
2. Commercial policies
3. Spot rate
4. Quota
5. Intra-industry trade
6. Financial inflow
7. Euro
8. Depreciation

P.T.O.

9. Capital account
10. Direct investments

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions not exceeding **one** paragraph. Each question carries **2** marks.

11. What does international trade theory study?
12. Define Metzler paradox.
13. Explain Jamaica Accord.
14. State the difference between fixed and flexible exchange rates.
15. What are the major types of dumping?
16. Distinguish between absolute and relative purchasing power parity theory.
17. What does an improvement in a nation's terms of trade mean?
18. Explain current account convertibility.
19. Define optimum tariff.
20. Explain why the Heckscher-Ohlin theory is a general equilibrium model.
21. Distinguish between FDI and FII.
22. What is the importance of international liquidity?

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions not exceeding **120** words. Each question carries **4** marks.

23. Define terms of trade. What are the factors that influence terms of trade?
24. Explain the Marshall-Lerner condition.
25. Distinguish between hedging and speculation.
26. What is meant by trade liberalisation? Examine its objectives.
27. Define foreign trade multiplier. Explain.
28. Explain Stolper Samuelson theorem.
29. Examine the major functions of Asian Development Bank.
30. State the characteristics of a good international monetary system.
31. What were the Mercantilists' views on trade? How were their views different from those of Adam Smith?

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions not exceeding **4** pages. Each question carries **15** marks.

32. Discuss the comparative cost advantage theory of international trade.
33. Examine the BOP approach to exchange rate determination.
34. List out the major arguments for and against free trade.
35. Examine the importance of multinational corporations today. What are some of the problems created by multinational corporations in the home and host countries?

(2 × 15 = 30 Marks)