

Possible long Question (Unit - 1): -

1. What is comparative advantage theory? Explain with example.
2. What is term of trade? What are different types of terms of trade?
3. What are the different gains from international trade? Explain graphically.
4. What is reciprocal demand? what are its assumption? Explain the reciprocal demand theory graphically.
5. What is Heckscher-Ohlin model of International Trade? what are its assumption? Explain the theory graphically.
6. How modern theory of international trade is extension of classical theory of international trade? What are the major drawbacks of modern theory of international trade?

Possible long Question (Unit - 2): -

- 1- What is free trade? Give argument in favour and against the free trade.
- 2- What is protectionism? Discuss different form of protectionism.
- 3- What are merit and demerit of protectionism?
- 4- Discuss the meaning and different type of tariff. Explain the effect of tariff with a suitable diagram.
- 5- Discuss the meaning and different type of Quotas. Explain the effect of Quotas with a suitable diagram.
- 6- If you are the finance secretary, which policy (Tariff or Quotas) do you suggests to enhance the food and mobile production capability of domestic industry ? Why do you want to suggest that specific policy?
- 7- Tariff verses Quotas which one is better ? Why ?
- 8- What is Balance of Paymen (BOP)? Why BOP is always balances?
- 9- What are the reasons for the disequilibrium in BOP? What are the measures to correct the the disequilibrium in BOP?
- 10- What is Free Trade Area (FTA)? Explain the trade creation and trade diversion effect of FTA through graphical presentation.