

Reg. No. : .....

Name : .....

**Fifth Semester B.A. Degree Examination, December 2022**

**First Degree Programme under CBCSS**

**Economics**

**Core Course X**

**EC 1545 : INTERNATIONAL ECONOMICS**

**(2019 Admission onwards)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

One word to maximum of one sentence.

Answer **all** questions. Each question carries 1 mark.

1. Mercantilism
2. Terms of trade
3. Laissez faire
4. Devaluation
5. Offer curve
6. Community indifference curve
7. Arbitrage
8. Exchange rate
9. Dumping
10. Tariff

**(10 × 1 = 10 Marks)**

P.T.O.

## SECTION – B

Answer any **eight** questions not exceeding one paragraph.

Each question carries 2 marks.

11. Briefly explain the subject matter of international economics.
12. Distinguish between FDI and FPI.
13. Explain optimum tariff.
14. Distinguish between depreciation and devaluation.
15. Briefly explain the major functions of IMF.
16. Distinguish between Spot transaction and Forward transaction.
17. Write a brief note on absorption approach.
18. Explain Leontief paradox.
19. Distinguish between fixed and flexible exchange rate.
20. Explain foreign trade multiplier.
21. What do you mean by economic integration?
22. What is J-curve effect?
23. What are trade barriers?
24. State the Reciprocal Demand Theorem of International Trade.
25. What do you mean by Hedging?
26. Write a brief note on International cartels.

**(8 × 2 = 16 Marks)**

SECTION – C

Answer any **six** questions not exceeding 120 words.

Each question carries 4 marks.

27. Explain the causes of disequilibrium in the balance of payments. What are the measures to correct the disequilibrium?
28. What are the major functions of a foreign exchange market?
29. Examine the comparative cost advantage theory of international trade.
30. What do you mean by tariff and quota?
31. Discuss the arguments for and against free trade.
32. Discuss the Marshall-Lerner condition for a stable foreign exchange market.
33. Distinguish between spot rate and forward rate of transaction.
34. Explain the role and functions of ADB.
35. Explain Stopler Samuelson theorem.
36. Briefly explain Mercantilist views on trade.
37. Explain Managed floating system.
38. What are the major objectives of imposing trade restrictions?

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions, not exceeding four pages.

Each question carries 15 marks

39. Explain Heckscher Ohlin theory of international trade
40. Discuss the role of international trade in a country's development.
41. Distinguish between balance of trade and balance of payment. What are the measures used to correct the disequilibrium in the balance of payment?
42. Examine the Mint Parity theory and Purchasing Parity theory of exchange rate determination.
43. Discuss the major transactions in the foreign exchange markets
44. Explain the different forms of economic integration.

**(2 × 15 = 30 Marks)**