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G – 5169

Reg. No. : .....

Name : .....

Fourth Semester M.A. Degree Examination, September 2019

Economics

EC 242: INTERNATIONAL ECONOMICS – II

(2013 Admission onwards)

Time : 3 Hours

Max. Marks : 75

PART – I

Answer **all** questions from this part. Explain the following in **one** or **two** sentences.

1. Arbitrage.
2. Spot Exchange Rate.
3. UNCTAD.
4. FEMA.
5. Dumping.
6. Floating Exchange Rate.
7. Devaluation
8. TRIMS.
9. Optimum Tariff.
10. Trade Liberalization.

(10 × 1 = 10 Marks)

P.T.O.



## PART – II

Answer any **seven** questions. Each answer should not exceed **500** words.

11. What is foreign trade multiplier?
12. Examine the Marshall Lerner Conditions.
13. Prepare a note on Britton wood sisters.
14. Distinguish between absorption approach and elasticity approach.
15. Distinguish between internal balance and external balance.
16. What is Optimum currency area?
17. Briefly examine the Mint Parity Theory.
18. How does fiscal deficit lead to current account deficit?
19. Examine the role of FDI? Analyses its merit.
20. Explain the adverse effects of MNC's.

(7 × 5 = 35 Marks)

## PART – III

Answer any **three** questions each answer should not exceed **1200** words.

21. Evaluate the direction and composition of India's foreign trade in pre- reform and post-reform period.
22. Discuss the nature and uses of SDRs by the member countries of the IMF. What are the weaknesses in this system?



23. Explain the components of balance of payment account. Examine the method used to correct BOP disequilibrium.
24. Critically examine the Purchasing Power Parity Theory.
25. Discuss the concept of Fixed and Flexible Exchange Rate and highlights its main features.

(3 × 10 = 30 Marks)

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