Reg. No. : ....

Name : ....

Third Semester M.A. Degree Examination, February 2021

Business Economics

BE 232 – INTERNATIONAL TRADE AND FINANCE

(2016 Admission Onwards)

Time : 3 Hours   Max. Marks : 75

PART – A

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

1. Eurobond.

2. Most-Favoured-Nation principle.

3. Currency options.

4. Arbitrage.

5. Dumping.

6. European Union.

7. Intra-industry trade.

8. Globalization.

9. Trade diversion.

10. Leontief paradox.

(10 × 1 = 10 Marks)

PART – B

Answer **any seven** questions, each not exceeding **500** words. Each question carries **5** marks.

11. What are two important limitations of the Heckscher-Ohlin theory?

12. Explain the reasons for trade according to the new trade theory.

13. How can international trade take place according to the technological gap model? What criticisms are leveled against this model?

14. What are the major accounts of the balance of payments, and what transactions are recorded on each account?

15. What is the usefulness of the concept of effective protection?

16. Critically evaluate the Stolper-Samuelson theorem.

17. What are the major functions of the International Monetary Fund?

18. Describe the Marshall-Lerner condition.

19. Discuss the relative merits and demerits of fixed exchange rate system.

20. Briefly explain about SAARC.

(7 × 5 = 35 Marks)

PART – C

Answer **any three** questions, each not exceeding **1,200** words. Each question carries **10** marks.

21. Briefly describe the structural changes in India's balance of payments since the economic liberalization of 1991.

22. Discuss the origin and the features of Bretton Woods exchange rate system. Why did the systems fail?

23. Illustrate the various stages of the product life cycle theory of international trade.

24. Illustrate the effect of a tariff imposed by a country.

25. Describe the structure, functions and principles of WTO. What are the major impediments for the Doha round negotiations?

(3 × 10 = 30 Marks)

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