CLASS: M.A. ECONOMICS **14A / 280**

St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002

SEMESTER EXAMINATIONS – APRIL 2015

TIME: 3 Hrs. **MAXIMUM MARKS: 100**

SEM	SET	PAPER CODE	TITLE OF THE PAPER
IV	2013	12PEC4111	INTERNATIONAL ECONOMICS

SECTION – A

Answer all the questions: **20 x 1 = 20**

Choose the correct answer:

1. Who has given the opportunity cost theory of international trade?
   a) Heckscher-ohlin b) J.S. Mill
   c) Marshall d) Gottfried von Haberler

2. Terms of trade is expressed by
   a) Px/Qx b) Px/Pm
   c) Px/Qm d) Pm/Qx

3. Which one is used to reduce deficit in Balance of Payment?
   a) Export quota b) Export tariff
   c) Import quota d) Income tax

4. The imposition of import duties will lead to
   a) Raise the prices of imports b) Raise the prices of exports
   c) Reduce the price of exports d) Reduction in exports

5. These duties are imposed "according to value" is called
   a) Specific duty b) Ad valorem duty
   c) Unilateral quota d) Bilateral quota

Fill in the blanks:

6. When goods are imported from one country and then re-exported after doing some processing, it is called ______trade.
7. According to Adam Smith restriction on free trade ______ country's wealth.
8. Goods traded come in the ______ account of the BOP.
9. Under ______ system, the government may fix and permit the maximum quantity or value of commodity to be imported during a given period.
10. The difference between the payments received for exports of services to other nations and the payments made for the imports of services from other nations is balance of ______.

State True or False:

11. The H-O is also called as factor endowment theory of International trade.
12. A home country's demand for a foreign commodity is determined by the foreign demand for the home commodity is called purchasing power parity.
13. The gross barter terms of trade are the ratio of the physical quantity of imports to physical quantity of exports.
14. Specific duty is based on the physical characteristics of goods.
15. The difference between the value of visible exports and value of visible imports of a country is called BOP.

Match the following:

16.	Reciprocal demand	-	a) 1947
17.	Comparative cost advantage	-	b) IBRD
18.	International Monetary Fund	-	c) J.S. Mill
19.	Breton Woods Conference	-	d) David Ricardo
20.	World Bank	-	e) 1944

SECTION – B

Answer all the questions: 5 x 4= 20

21. a. What are the gains from free trade according to absolute cost theory?

OR

b. What are the defects in absolute cost advantage theory?

22. a. What are the factors affecting the terms of trade?

OR

b. What are the different types of trades?

23. a. What are the different types of trade barriers?

OR

b. What are the types of dumping?

24. a. What are the different types of disequilibrium in BOP?

OR

b. What is capital account in BOP?

25. a. What are the objectives of IMF?

OR

b. Bring out the salient features of India's foreign trade.

SECTION – C

Answer any FOUR questions: 4 x 15 = 60

26. Explain Ricardian theory of International trade.

27. Explain the Heckscher-Ohlin theory of International trade.

28. Explain the importance of International trade.

29. Explain the tariff and non-tariff barriers to trade.

30. Explain the trends in India’s foreign trade.

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