THIRD SEMESTER M.A DEGREE EXAMINATION, NOVEMBER 2021
(Regular/Improvement/Supplementary)
ECONOMICS
FECO3C09 - INTERNATIONAL TRADE

Time: Three Hours   **Maximum Weightage: 30**

Part A: Multiple Choice Questions. *All* **questions can be answered. Each carries** $\frac{1}{5}$ **weightage.**

1. Effect of economic growth on international trade was articulated by ……….

    a) Samuelson – Stopler   b) Rybcyznski   c) Krugman   d) Mill

2. Terms of trade between developed and developing nations will deteriorate because of:

    a) High income elasticity of primary products in developed nations

    b) Low income elasticity of primary products in developed nations

    c) High income elasticity of primary products in developing nations

    d) Low income elasticity of primary products in developing nations

3. Partial equilibrium approach to tariff was contributed by ……….

    a) Samuelson   b) Kindleberger   c) Vinor   d) Lipsey

4. The negative externality of growth process according to Myrdall is ……….

    a) Spread effect   b) Backwash effect

    c) Displacement effect   d) None

5. WTO was formed in ……….

    a) 1995   b) 1996   c) 1997   d) 1998

6. Gross barter terms of trade are measured by ……….

    a) Qx/Qm   b) Qm/Qx   c) Px/Pm   d) Pm/Px

7. The first critique to the Heckscher – Ohlin theory was made by ……….

    a) Samuelson   b) Leontief

    c) Stopler   d) Rybscynski

8. Offer curve was developed by ……….

    a) Mill   b) Edgeworth   c) Marshall   d) Bowley

9. Modification in Leontief test *via* accommodating technological differences was suggested by……….

    a) Bowen   b) Trefler   c) Leamer   d) Metzler

10. Theory of volume of trade and demand pattern was suggested by ……….

    a) Kravis   b) Linder   c) Vernon   d) Leamer

(P.T.O.)

11. Customs Union will benefit the member countries, if trade creation is ……….

   a) Larger than trade diversion   b) Lower than trade diversion

   c) Both a & b   d) None

12. ASEAN was formed in ……….

   a) 1965   b) 1966   c) 1967   d) 1968

13. India became a member of WTO from ……….

   a) 1st February 1995   b) 1st January 1995

   c) 2nd February 1995   d) 2nd January 1995

14. A theoretical possibility that results in fall in relative price of the imported commodity is associated with the name of ……….

   a) Bowen   b) Metzler   c) Samuelson   d) Trefler

15. Secular deterioration of terms of trade hypothesis was contributed by ……….

   a) Prebisch   b) Samuelson   c) Linder   d) Vernon

(15 × ¹/₅ = 3 weightage)

Part B: Very short answer questions. *All* questions can be answered. Each carries *one* weightage (Ceiling 4 weightage).

16. Explain trade creation effect.

17. Elucidate the link between international trade and scale economies.

18. Examine the role of transportation cost in international trade analysis.

19. Examine the proposition of imitation gap theory.

20. Evaluate Trefler's theorem.

21. What are the different forms of international integration?

22. What are the objectives and functions of ASEAN?

23. Examine the various concepts of terms of trade.

Part C: Short answer questions. *All* questions can be answered. Each carries *three* weightage (Ceiling 15 weightage).

24. Examine theoretical foundations of new protectionism in international trade.

25. Analyze the change in price of traded commodities upon the output of commodities.

26. Analyse the impact of international trade upon economic growth and development.

27. Critically evaluate the WTO interventions in the current international trade scenario.

28. Examine the price effect of tariff.

29. Illustrate the physical criterion of factor endowments.

30. Illustrate how terms of trade deteriorate in the long run.

31. Examine the impact of change in price of traded commodities upon the real reward of factors using an appropriate theoretical framework.

32. Examine Linder's theory of volume of trade and demand pattern.

33. Explain the foreign trade multiplier effect.

Part D: Essay questions. *All* questions can be answered. Each carries *four* weightage (Ceiling 8 weightage).

34. Critically evaluate the empirical proposition of factor price equalisation theorem.

35. Critically examine reciprocal demand theory of international trade.

36. Analyse the general equilibrium approach to effects of tariff.

37. Examine trade pattern and terms of trade under constant, diminishing and increasing opportunity cost conditions.