D3AEC2301 **(3 Pages)** **Name............................**

Reg.No..........................

THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2024

(Regular/Improvement/Supplementary)

ECONOMICS

FECO3C09 - INTERNATIONAL TRADE

Time: 3 Hours **Maximum Weightage: 30**

Part A: Answer *all* questions. Each carries $^{1}/_{5}$ weightage.

1. A country's capacity to import is best represented by:

 a) Net barter terms of trade b) Gross barter terms of trade

 c) Income terms of trade d) None of these

2. The Reciprocal demand theory was introduced by:

 a) Ricardo b) J. S. Mill

 c) Marshall d) Samuelson

3. The Offer curve of a nation bulges or bend toward the axis that measures its:

 a) Export commodity b) Import commodity

 c) Non- traded commodity d) Export or import commodity

4. The famous statement that foreign trade is an "Engine of Growth "is remarked by:

 a) Adam Smith b) D. Salvatore

 c) Jagdish Bhagwati d) D. Robertson

5. The trade theory that explains dynamic comparative advantage is:

 a) Ricardian Theory b) Reciprocal Demand Theory

 c) Product Life Cycle Theory d) Stolper- Samuelson Theorem

6. The Availability Theory of International Trade was developed by:

 a) Leamer b) Kravis

 c) Trefler d) Haberler

7. Backwash effects of international trade was explained by:

 a) Haberler b) Prebisch

 d) Linder d) Myrdal

(P.T.O.)

8. The major reason for immiserising growth is:

a) Poor product quality. b) Monopoly position of a country.

c) Shift in demand pattern. d) Tariff.

9. When production is under constant opportunity cost, the PPC is:

a) Straight line b) Convex

c) Concave d) Positively Sloped

10. In which type of economic integration free movement of factors among countries is allowed?

a) Preferential Trading arrangement b) Free Trade Area

c) Customs Union c) None of these

11. The Imitation Gap Theory was developed by:

a) Vernon b) Posner

c) Leamer d) Kravis

12. Countervailing Tariff is imposed mainly for the purpose of:

a) Earning revenue b) Administrative convenience

c) Protecting infant industries d) Compensate for export subsidies

13. The Tariff that maximizes the welfare of the tariff - imposing country is:

a) Optimum Tariff b) Minimum Tariff

c) Maximum Tariff d) Specific tariff

14. WTO was established in the year:

a) 1990 b) 1992

c) 1995 d) 1997

15. The Secular Deterioration Hypothesis was introduced by:

a) Rybcyznski b) Prebisch – Singer

c) Bhagwati d) Trefler

($15 \times {}^{1}/_{5} = 3$ weightage)

Part B: Answer any *five* questions. Each carries *one* weightage.

Write short notes on:

16. Gross Barter Terms of Trade.
17. Reciprocal Demand Theory.
18. Factor Intensity Reversal.
19. Rybcyznski theorem.
20. Availability theory of International trade.
21. Foreign Trade Multiplier.
22. Dutch Disease
23. ASEAN.

(5 × 1 = 5 weightage)

Part C: Answer any *seven* questions. Each carries *two* weightage.

24. Explain the statement "Trade is an engine of growth."
25. Describe the Stolper - Samuelson Theorem.
26. Analyse the Factor Price Equalization Theorem.
27. Explain Vernon's Product Cycle Theory.
28. Discuss Linder's Theory of Volume of Trade and Demand Pattern.
29. Explain the Theory of Immiserising Growth.
30. Analyse the Prebisch - Singer Thesis.
31. Distinguish between the strategies of import substitution and export orientation.
32. Examine the various Non-Tariff Barriers to trade.
33. Analyse the problems and prospects of WTO agreement in present global trading.

(7 × 2 = 14 weightage)

Part D: Answer any *two* questions. Each carries *four* weightage.

34. Critically evaluate the Opportunity Cost theory of International Trade.
35. Explain the Hecksher – Ohlin Theory of international trade. What are the major criticisms against it?
36. Examine the effects of tariffs on the basis of partial and general equilibrium analysis.
37. Explain the major theories of Customs Union.

(2 × 4 =8 weightage)