

FIFTH SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2023
(Regular/Improvement/Supplementary)
ECONOMICS

GECO5B09T: INTERNATIONAL ECONOMICS

Time: 2 ½ Hours

Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)

1. What is international economics?
2. Distinguish between pure and monetary theories in international economics.
3. What is secular disequilibrium?
4. Define labour theory of value.
5. Write a note on demonetization in India.
6. Distinguish between comparative advantage and comparative disadvantage.
7. What is ad valorem tariff?
8. Define international cartel.
9. Why non-tariff trade barriers are important?
10. Define “Vehicle Currency”.
11. What do you mean by deficit and surplus in balance of payment?
12. Define foreign bills of exchange.
13. What is production possibility Frontier?
14. Define EXIM policy.
15. What is demand reversal?

SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 Marks)

16. Briefly explain the mint parity theory.
17. What are the reasons by which nations engage in trade?
18. Explain the most important transactions in the foreign exchange market.
19. Bring out the differences between Ricardian trade theory based on comparative cost advantage and Smith's theory of absolute advantage.
20. Explain Leontief paradox. What are the reasons for Leontief paradox?
21. Write a brief note on infant industry argument.
22. Explain the salient features of international trade.
23. What are the different types of dumping?

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. “Factor price equalization is a corollary of Heckscher Ohlin theorem” Explain.
25. What is SAARC? Explain its functions and the role of India in SAARC.
26. Explain devaluation, revaluation, appreciation and depreciation. Briefly explain the impact of these exchange rate changes on international trade.
27. Elaborate on currency convertibility and its types. Add a note on currency convertibility in India.

(2 x 10 = 20 Marks)