

Reg. No .....

Name .....

17P3602

**M. A. DEGREE END SEMESTER EXAMINATION- OCTOBER-NOVEMBER 2017**

**SEMESTER 3 : ECONOMICS**

**COURSE : 16P3ECOT11 ; INTERNATIONAL TRADE - THEORY AND POLICY**

*(For Regular - 2016 admission)*

Time : Three Hours

Max. Marks: 75

**Section A**

**Answer any 8 (2 marks each)**

1. Community indifference curve
2. Absolute advantage
3. Terms of Trade
4. Incomplete specialization
5. Inferior goods
6. Ultra antitrade consumption.
7. Import substitution
8. Retaliatory tariff
9. European Union
10. Common market
11. Theory of second best
12. Common wealth of Independent state

**8 x 2 (16)**

**Section B**

**Answer any 7 (5 marks each)**

13. Explain the theory of comparative advantage
14. Explain the Porter's diamond model of International trade.
15. Why are trade theories other than H-O theory needed?
16. Distinguish between biased and unbiased technical progress
17. Distinguish between antitrade and protrade production and consumption effects.
18. Explain the Effective Rate of Protection with examples
19. What do you mean by optimum tariff? Under what conditions optimum tariff is likely to be high or zero?
20. What are the different forms of economic integration? Explain.

21. What are the important objectives of ASEAN?
  22. How does European Union help the member nation in attaining trade optimality?
- 7 x 5 (35)**

**Section C**

**Answer any 2 (12 marks each)**

23. Explain the various post Heckscher-Ohlin theories of trade.
24. Comment on the following quotation-“the assumptions necessary to bring about complete equality in the returns to homogeneous factors among nations are so restrictive and unrepresentative of actual reality that the theory can be said to prove the opposite of what it seems to say – namely that there is no chance whatsoever that factor prices will ever be equalized by free commodity trade”.
25. What is non-tariff barriers of trade? Discuss in details the various non-tariff barriers?
26. Explain the trade creating and trade diverting customs union?

**2 x 12 (24)**