

Reg. No .....

Name .....

**18P3602**

**M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2018**  
**SEMESTER 3 : ECONOMICS**  
**COURSE : 16P3ECOT11 : INTERNATIONAL TRADE - THEORY AND POLICY**  
*(For Regular - 2017 Admission & Supplementary - 2016 Admission)*

Time : Three Hours

Max. Marks: 75

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

1. Offer curves.
2. What is the most important implication of Linder's Model?
3. Incomplete specialization.
4. Linder's theory of trade shows a dramatic deviation from the H-O theory. Briefly explain.
5. Rybczynski theorem.
6. Point out 2 reasons why PPF shifts outwards.
7. Revenue tariff.
8. Distinguish between tariff and quota.
9. Customs union.
10. Preferential Trade Arrangement.
11. Free economic zone.
12. Trade creation.

**(2 x 8 = 16)**

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

13. Explain the Porter's diamond model of International trade.
14. In what ways do the Technology gap model and Product life cycle model differ from traditional trade theory?
15. Does Neo Hecksher Ohlin Model repudiate traditional theories of international trade?
16. Distinguish between antitrade and protrade production and consumption effects.
17. Explain Immiserising growth with the help of a graph.
18. Discuss the quantitative restrictions in international trade.
19. Explain the Effective Rate of Protection with examples.
20. In which all cases do we have trade creation?
21. How can economic integration lead to increased trade and welfare?
22. How does European Union help the member nations in attaining trade optimality?

**(5 x 7 = 35)**

**Section C**

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

23. How can trade lead to absolute and relative factor price equalization?
24. Explain how the change in nation's factor endowments affects its growth and terms of trade?
25. Present your views on protection vs liberal trade. Do you think that the emerging trade strategy of India is suited for the country and international economic environment?
26. Discuss the theory of Customs Union.

**(12 x 2 = 24)**