

B. A. DEGREE END SEMESTER EXAMINATION - APRIL 2021**SEMESTER –6: ECONOMICS (CORE COURSE)****COURSE: 15U6CRECO15: INTERNATIONAL ECONOMICS**

(Common for Regular 2018 admission & Improvement 2017/Supplementary 2017/2016 /2015 admissions)

Time: Three Hours

Max Marks: 75

PART A (Define the following)

Answer all questions in one or two sentences. Each question carries 1 mark.

1. Offer curve.
2. Terms of trade.
3. Current Account.
4. Devaluation.
5. Import substitution.
6. Spot rate.
7. Hedging.
8. Foreign exchange market.
9. Gold standard.
10. IMF. (1 x 10 = 10)

PART B

***Answer any eight questions in three or four sentences.
Each question carries 2 marks.***

11. Define absolute cost advantage.
12. Write a note on international economics.
13. State Leontief paradox.
14. Differentiate Balance of Payments and Balance of Trade.
15. Explain cyclical disequilibrium in BoP.
16. Define Flexible exchange rate.
17. Describe currency swap.
18. Define real effective exchange rate.
19. What do you mean by free trade?
20. Explain about WTO. (2 x 8 = 16)

PART C

***Answer any five questions in not more than 1 page.
Each question carries 5 marks.***

21. Summarize Heckscher – Ohlin theory.
22. Illustrate Community Indifference Curve.
23. Point out the different components of BoP.
24. State the Marshall-Lerner condition and explain it.

25. Elucidate the Purchasing power parity theory.
26. Which are the different types of quotas? What are their impacts?
27. Write a short note on IBRD. (5 x 5 = 25)

PART D

Answer any two not exceeding four pages. Each question carries 12 marks.

28. Critically evaluate comparative cost theory of international trade.
29. What is disequilibrium in BoP? Suggest some measures to correct disequilibrium in BoP.
30. What are foreign exchange risks? Explain foreign exchange risk management techniques.
31. Discuss the policy of protection. What are the arguments for and against this policy? (12 x 2 = 24)
