

B. A DEGREE END SEMESTER EXAMINATION : MARCH 2023**SEMESTER 6 : ECONOMICS****COURSE : 19U6CRECO12: INTERNATIONAL ECONOMICS***(For Regular - 2020 Admission and Supplementary - 2019 Admission)*

Time : Three Hours

Max. Marks: 75

PART A**Answer All (1 mark each)**

1. What is factor price equalization?
2. Define community indifference curve.
3. What is secular disequilibrium in BOPs?
4. What are unrequited transfers?
5. What is forward rate?
6. What is a European Option?
7. What are currency forwards?
8. What is a quota?
9. What is a revenue tariff?
10. What is sliding scale tariff?

(1 x 10 = 10)**PART B****Answer any 8 (2 marks each)**

11. What are the demerits of single factoral terms of trade?
12. What is meant by Leontief Statistic?
13. State the H-O theorem.
14. Distinguish between devaluation and depreciation.
15. How migrant remittances are recorded in BOPs?
16. What are the sources of supply of foreign exchange?
17. What is speculation?
18. If my total dollar assets exceed dollar liabilities, is there any foreign exchange risk?
19. What is 'dirty float'?
20. Distinguish between export tariff and import tariff.

(2 x 8 = 16)**PART C****Answer any 5 (5 marks each)**

21. The figures in the table show the amount of labour required to produce one unit of cloth and wine in two countries under two situations. Explore the possibility for trade in situation A and B.

Commodity	Situation A		Situation B	
	Portugal	England	Portugal	England
Cloth	45	50	50	50
Wine	40	60	40	40

22. Explain the theory of reciprocal demand.
23. Explain the principles followed in BOPs accounting.
24. What are the uses of currency Swaps?
25. Write a note on currency options.
26. What is infant industry argument?
27. Explain the functions of IBRD.

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. Critically evaluate the theory of comparative advantage.
29. Evaluate different measures used to correct a disequilibrium in BOPs.
30. Analyze the Mint Parity Theory of Exchange rate determination.
31. Analyze the major arguments for protection.

(12 x 2 = 24)