

**B. A. DEGREE END SEMESTER EXAMINATION - MARCH 2024****SEMESTER 6 - ECONOMICS****COURSE : 19U6CRECO12 - INTERNATIONAL ECONOMICS***(For Regular - 2021 Admission and Supplementary -2020/2019 Admissions)*

Time : Three Hours

Max. Marks: 75

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

1. Define factor intensity.
2. Define balance of payments.
3. What is Voluntary export Restraint?
4. What is hedging?
5. What is devaluation?
6. What is an economic union?
7. Define currency futures.
8. What is trade creation?
9. What is a European Option?
10. Why countries participate in trade?

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

11. State the H-O Theorem.
12. What is meant by equilibrium and disequilibrium in balance of payments?
13. What is a customs union?
14. Distinguish between gains from specialization and gains from trade.
15. Why foreign exchange is demanded?
16. What is an American option?
17. What is labour theory of value?
18. Define spot rate.
19. Distinguish between export tariff and import tariff.
20. How to improve the capital account of BOPs?

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

21. Explain the components of current account.
22. Analyze different forms of Economic Integration.
23. Analyze the role of SRD in providing international liquidity?
24. What is foreign exchange risk? suggest measures to cover exchange risk?
25. Analyze the factor price equalization theory.
26. Explain the concept of opportunity cost using PPC.
27. Explain the functions of IBRD.

**(5 x 5 = 25)**

**PART D**

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

28. What is terms of trade? Explain different concepts of terms of trade.
29. Evaluate different measures used to correct a disequilibrium in BOPs.
30. Analyze the Balance of Payments Theory of Exchange rate determination.
31. Analyze the effects of tariff as a protectionist policy?

**(12 x 2 = 24)**