

M. A. DEGREE END SEMESTER EXAMINATION - MARCH 2024**SEMESTER 4 - ECONOMICS****COURSE : 21P4ECOT15 - INTERNATIONAL FINANCIAL SYSTEM AND ECONOMIC POLICY***(For Regular - 2022 Admission and Supplementary - 2021 Admission)*

Duration : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

1. What are unrequited transfers? (U, CO 2)
2. How did the Bretton Woods System permit one way speculation? (A, CO 1)
3. What is meant by busting of an asset bubble? (U, CO 4)
4. What is the essence of McKinnon's open economy theory? ()
5. What is external balance? (U, CO 3)
6. Why technology is treated as a public good? (U)
7. How balance of trade differs from Balance of payments? (U, CO 2)
8. What is international liquidity? (U, CO 1)
9. What is the condition for goods market equilibrium? (U, CO 3)
10. How does adjustable peg system work? ()

(1 x 8 = 8)**PART B****Answer any 6 questions****Weights: 2**

11. Explain gold import and export points. Illustrate it with the help of a diagram. (U, CO 1)
12. Prepare a note on the economic crisis in East Asia. (A, CO 4)
13. What are forward contracts? How do they differ from futures contracts? (U, CO 1)
14. Explain the merits and demerits of currency boards. (U, CO 4)
15. What are the advantages and disadvantages of forming an Optimum Currency Area? (U, CO 1)
16. Discuss in detail about Options. (U, CO 2)
17. Analyse the foreign repercussion effect. (An, CO 3)
18. Analyse fiscal and monetary policy in a situation of perfect capital mobility under fixed exchange rate. (An, CO 3)

(2 x 6 = 12)**PART C****Answer any 2 questions****Weights: 5**

19. Analyze the operation of trade multiplier in a small open economy. (An, CO 3)
20. Examine the functioning of gold standard. How balance of payment adjustment took place in the gold standard? (An, CO 1)
21. Analyse the elasticity approach to balance of payment adjustment and comment on the real world elasticity estimates. (An, CO 2)
22. Is transfer pricing real? What are the limitations? (U, CO 4)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Analyze the evolution of international monetary systems	An	2, 8, 11, 13, 15, 20	13
CO 2	Explains the functions of foreign exchange markets in global perspective	U	1, 7, 16, 21	9
CO 3	Evaluates the theories of exchange rate determination	E	5, 9, 17, 18, 19	11
CO 4	Analyze the problems of external balance	An	3, 12, 14, 22	10

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;