

M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2024
SEMESTER 3 : ECONOMICS
COURSE : 21P3ECOT11 : INTERNATIONAL TRADE THEORY AND POLICY
(For Regular 2023 Admission and Supplementary 2022/2021 Admission)

Duration : Three Hours

Max. Weights: 30

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

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| 1. | why new product innovation takes place in high income countries? | (U, CO 3) |
| 2. | Effect of technical progress on trade. | (A) |
| 3. | What is SAARC? | (R, CO 4) |
| 4. | What is the use of the concept of effective rate of protection? | (U) |
| 5. | Why a firm becomes multi-national according to Product Life Cycle theory? | (U, CO 3) |
| 6. | What is Autarky? | (R, CO 1) |
| 7. | What is dynamic comparative advantage? | (U, CO 1) |
| 8. | Define intra industry trade. | (R, CO 3) |
| 9. | What is BRICS? | (U) |
| 10. | What is Immiserising growth? | (R, CO 2) |
- (1 x 8 = 8)**

PART B**Answer any 6 questions****Weights: 2**

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| 11. | Explain the effect of growth on terms of trade and welfare of a large country? | (U, CO 2) |
| 12. | Evaluate the effects of an export subsidy | (E) |
| 13. | Elucidate the role played by ASEAN in ensuring regional cooperation. | (U, CO 4) |
| 14. | Discuss the Falvey model of international trade | (An, CO 3) |
| 15. | Discuss the Reciprocal Dumping Model. | (U, CO 3) |
| 16. | Explain the gravity model of trade. | (U, CO 3) |
| 17. | Explain the static and dynamic gains from trade. What are the demerits of free international trade? | (U, CO 1) |
| 18. | Draw a figure and explain illustrating the effect of a trade diverting customs union that decreases the welfare of the nation joining it? | (A, CO 4) |
- (2 x 6 = 12)**

PART C**Answer any 2 questions****Weights: 5**

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| 19. | Discuss the theory of Customs Union. | (An, CO 4) |
| 20. | Critically evaluate the Neo- Chamberlinian Models. | (E, CO 3) |
| 21. | "The classical trade theory is valid even when the labour theory of value is discarded". Discuss | (An, CO 1) |
| 22. | Evaluate the Harrod- Johnson approach to factor price equalization | (E) |
- (5 x 2 = 10)**

OBE: Questions to Course Outcome Mapping

| CO | Course Outcome Description | CL | Questions | Total Wt. |
|------|---|----|-------------------------|-----------|
| CO 1 | Critically evaluates the classical trade theory and its extensions | E | 6, 7, 17, 21 | 9 |
| CO 2 | Analyze the Heckscher-Ohlin trade theory and effects of growth on international trade | An | 10, 11 | 3 |
| CO 3 | Analyze the post Heckscher Ohlin trade theories | An | 1, 5, 8, 14, 15, 16, 20 | 14 |
| CO 4 | Evaluates the desirability and consequences of trade policies | E | 3, 13, 18, 19 | 10 |

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