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Reg. No..................................

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B.A. DEGREE (C.B.C.S.S.) EXAMINATION, SEPTEMBER 2024

Sixth Semester

B.A. Economics (Model I)

Core Course—INTERNATIONAL ECONOMICS

[Prior to 2013 Admissions]

Time : Three Hours
Maximum Weight : 25

*Answers may be written **either** in English **or** in Malayalam.*

Part A (Objective Type Questions)

*Answer **all** questions.*
Each bunch of four questions carries carries a weight of 1.

I. Choose the correct alphabet only :

1 Modern theory of international trade is :

   (a) 2:2 model.

   (b) 2:2:2 model.

   (c) single factor model.

   (d) None of these.

2 International Economics is the application of ——————.

   (a) Micro Economics.

   (b) Macro Economics.

   (c) Public Finance.

   (d) None of these.

3 Income terms of trade measures :

   (a) Gains from Trade.

   (b) Loss from Trade.

   (c) Tariff.

   (d) Quote.

4 According to Leontief America is a labour abundant country because ——————.

   (a) It has more labour.

   (b) Its labour is more productive.

   (c) It's labour is less production.

   (d) It's labour is cheap.

Turn over

II. 5 Balance of Trade is a :

    (a) Synonimus to B.O.P.   (b) Opposite to B.O.P.

    (c) Component of B.O.P.   (d) Alternative to B.O.P.

  6 The monotary measure to correct B.O.P. deficit is :

    (a) Tariff.   (b) Quota.

    (c) Loan.   (d) Devaluation.

  7 Gain or loss from foreign trade is included in ——————.

    (a) Capital Account.

    (b) Current Account.

    (c) Official Settlement Account.

    (d) None of these.

  8 The International liquidity accounts records.

    (a) Changes in Export Earning.

    (b) Changes in Tariff.

    (c) Changes in foreign exchange reserves.

    (d) None of these.

III. 9 The Purchasing Power Parity theory was developed by :

    (a) Gustav Cassel   (b) Robertson.

    (c) Samuelson.   (d) Marshall.

  10 Foreign exchange rate is determined by demand for and supply of ——————.

    (a) Goods.   (b) Foreign exchange.

    (c) Services.   (d) Technology.

  11 Flexible exchange rate is determined by ——————.

    (a) Central Bank.   (b) Government.

    (c) I.M.F.   (d) Market.

  12 If the demand for a currency rises in the market, its value will ——————.

    (a) Fall.   (b) Rise.

    (c) Remain Constant.   (d) None of these.

IV. 13 Infant industry argument of protection was formulated by —————.

    (a) Haberler.   (b) Ricardo.

    (c) Hamilton.   (d) Heckscher.

14 Dufy levied as a percentage of the total value of importer commodity is known as ————

    (a) Specific Duty.   (b) Compound Duty.

    (c) Ad Valorem Duty.   (d) Single Column Tariff.

15 W.T.O. was established in the year ——————.

    (a) 1990.   (b) 1956.

    (c) 1995.   (d) None of these.

16 The Britton Woods Conference was hold in ——————.

    (a) 1995.   (b) 1944.

    (c) 1945.   (d) 1991.

$(4 \times 1 = 4)$

Part B (Short Answer Questions)

Answer any **five** *questions not exceeding* 50 *words.*
Each question carries a weight of 1.

17. What is the significance of international economics ?

18. What is opportunity cost ?

19. Define Balance of payments.

20. Define equilibrium of Balance of Payment.

21. What is exchange rate ?

22. What is speculation ?

23. What is import quota ?

24. What is Advalorem duty ?

$(5 \times 1 = 5)$

Turn over

Part C (Short Essays)

Answer any **four** *questions not exceeding* 150 *words.*
Each question carries a weight of 2.

25. Explain opportunity cost theory of internal trade.

26. Explain Leontief Paradox.

27. Explain effects of devaluation on B.O.P.

28. Explain flexible exchange rate.

29. Explain different types of tariff.

30. Examine the difficulties of free trade.

$(4 \times 2 = 8)$

Part D (Long Essays)

Answer any **two** *questions not exceeding 450 words.*
Each question carries a weight of 4.

31. What are the functions of W.T.O.

32. Explain elasticity approach of correcting disequilibrium in B.O.P.

33. Explain the effects of tariff under partial equilibrium.

$(2 \times 4 = 8)$