THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2020
(CUCSS-PG)
CC19P ECO3 C09 - INTERNATIONAL TRADE
(Economics)
(2019 Admission Regular)

Time: Three Hours   Maximum: 30 Weightage

PART-A
Answer *all* questions. Each question carries 1 weightage.

1. As per the Rybczynski theorem, at constant commodity prices, growth of labour without any change in capital could benefit to:
   a) Labour intensive industries
   b) Capital intensive industries
   c) Both Labour and Capital intensive industries
   d) No industries could be benefited.

2. The technique used by Leontief to study H.O theory is popularly known as:
   a) Linear Programming   b) Differential calculus
   c) Matrix algebra   d) Input-output analysis

3. A country simultaneously imports and exports the different varieties of the product of the same industry is called:
   a) Inter-industry trade   b) Intra industry trade
   c) Multiple trade   d) Inter-regional trade

4. The trade of textiles and clothing are regulated by:
   a) GATT   b) GATS   c) WTO   d) MFA

5. The tariff imposed on the basis of value of a traded commodity is known as:
   a) Specific tariff   b) Compound tariff   c) Ad valorem tariff   d) Nominal tariff

6. "Trade as an engine of growth" Who said this?
   a) Smith   b) Ricardo   c) Nurkse   d) Wicksell

7. Opportunity cost theory is propounded by:
   a) Ricardo   b) Harberler   c) Samuelson   d) Jacob Viner

8. Which of the following is an argument for free trade?

a) Lower consumption possibilities

b) The need to protect goods and services to national security

c) Greater efficiency through specialization

d) Aiding Infant- Industries

9. The principle of reciprocal demand was developed by

a) David Ricardo   b) Adam Smith   c) J.S Mill   d) Haberler

10. The existence of factor intensity reversal can be explained in terms of :

a) Elasticity of demand   b) Elasticity of substitution

c) Income elasticity   d) Elasticity of supply

11. Tariffs imposed on imports to offset subsidies by foreign government is called:

a) Exchange Control   b) Export Subsidies

c) Countervailing Duties   d) None of these

12. Which of the following is an exception to the Stopler-Samuelson theorem?

a) Factor Price Equalization Theorem   b) Metzler Paradox

c) H.O Theory   d) Reciprocal Demand Theory

13. If growth increases the consumption of importable commodity more than exportable commodity, it is called:

a) Pro-trade   b) Anti-trade   c) Neutral Trade   d) None of these

14. _____ include the restrictions on international capital flows, official intervention in forward markets, multiple exchange rates, and other financial and monetary restrictions.

a) Export control   b) VERs   c) Exchange Control   d) CVDs

15. An example of customs union

a) WTO   b) IMF   c) GATT   d) European Union

(15 x 1/5 = 3 Weightage)

PART-B (Very short answer Questions)

Answer any *five* questions. Each question carries 1 weightage.

16. Define foreign trade multiplier.

17. What is optimum tariff?

18. Write a short note on Dutch disease.

19. What is meant by international Cartels?

20. Write a note on trade in wastes.

21. What you mean by Backwash effect?

22. Explain SAFTA.

23. What is Voluntary Export Restraints?

(5 x 1 = 5 Weightage)

PART-C (Short Answer Type Questions)

Answer any *seven* questions. Each question carries 2 weightage.

24. Illuminate different stages of economic integration.

25. Discuss WTO agreement in present global trading.

26. Explain Immizerising growth.

27. Explain partial equilibrium analysis of tariff.

28. Discuss Vernon's product cycle model of trade.

29. Explain clearly Stolper Samuelson theorem.

30. What are the various types of terms of trade?

31. Discuss the role of transportation cost in international trade.

32. Explain dumping and anti-dumping duties.

33. Explain Linder's theory.

(7 x 2 = 14 Weightage)

PART – D (Essay questions)

Answer any *two* questions. Each question carries 4 weightage.

34. Critically examine the Prebisch-Singer hypothesis.

35. Discuss trade creation and trade diversion effects of a customs union.

36. Explain H.O theory of international trade. Does the Leontief Paradox invalidate this theory?

37. Examine contributions of trade to economic development.

(2 x 4 = 8 Weightage)

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