

20P325

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Name.....

Reg. No.....

THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS-PG)

(Regular/Supplementary/Improvement)

CC19P ECO3 C09 - INTERNATIONAL TRADE

(Economics)

(2019 Admission onwards)

Time: Three Hours

Maximum: 30 Weightage

PART-A

Answer *all* questions. Each question carries 1/5 weightage.

1. The term missing trade related to
 - a) Treffler
 - b) Leamer
 - c) Vernon
 - d) Posner
2. According to H-O theorem, a nation will export a commodity which is:
 - a) Intensive in its relatively abundant factor
 - b) Intensive in its relatively cheap factor
 - c) Both a & b
 - d) none of the above
3. Who coined the theory of circular causation?
 - a) Linder
 - b) Kravis
 - c) Myrdal
 - d) Posner
4. Which of the following is likely to happen when a large country levies a tariff and would not happen if a small country did the same?
 - a) domestic output of the protected good rises
 - b) domestic demand for the protected good rises
 - c) domestic price of the protected good rises
 - d) World price of the protected good falls
5. Headquarters of SAARC
 - a) Islamabad
 - b) Colombo
 - c) Kathmandu
 - d) Delhi
6. According to Linder, the trade in primary products is governed by the
 - a) Availability of skilled labour
 - b) Abundance of natural resources
 - c) Technological excellence
 - d) Availability of raw materials
7. Factor price equalization theorem was proved by
 - a) Samuelson
 - b) Hecksher Ohlin
 - c) Treffler
 - d) Jagadish Bagwathi
8. An area where all barriers removed among members but each nation retains its own barriers are called
 - a) Economic integration
 - b) Free trade area
 - c) Common market
 - d) Restricted area

9. Availability theory was developed by
 - a) Nurkse
 - b) Kravis
 - c) Samuelson
 - d) Leamer
10. When a nation impose tariff, the nation's offer curve will be
 - a) shift away from measuring its export commodity
 - b) Shift closer to the axis measuring its export commodity
 - c) will not be affected
 - d) none of the above
11. According to the Stopler-Samuelson theorem a tariff benefit
 - a) The abundant factor
 - b) The scarce factor
 - c) Both A&B
 - d) None of the above
12. Which of the following is not included under WTO regulation?
 - a) Removal of industrial licenses
 - b) Removal of import tariff
 - c) Removal of price control
 - d) Removal of foreign portfolio investment
13. Which paradox is contradictory of H-O theory?
 - a) Samuelson paradox
 - b) Leontief paradox
 - c) Leamer paradox
 - d) Metzler paradox
14. Which of the following theories suggests that firms seek to penetrate new markets over time?
 - a) Imperfect Market Theory
 - b) Product cycle theory
 - c) Theory of Comparative Advantage
 - d) None of the above
15. Dumping refers to:
 - a) Sale of goods abroad at low a price, below their cost and price in home market
 - b) Buying goods at low prices abroad and selling at higher prices locally
 - c) Expensive goods selling for low prices
 - d) Reducing tariffs

(15 × 1/5 = 3 Weightage)

PART-B (Very short answer Questions)

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

16. What is the relationship between transportation cost and traded goods and services?
17. What is preference similarity
18. Write on Jagdish Bhagwati's views on 'growth & trade'
19. Explain the point of 'difference in income elasticity' as a cause for deterioration in terms of trade of primary product exporters.

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20. Define optimum tariff
21. What are international cartels?
22. Compare tariff and quota.
23. Define common market.

(5 × 1 = 5 Weightage)

PART-C (Short Answer Type Questions)

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

24. Draw a figure showing the export of the innovating and imitating country during the various stages of product cycle.
25. Write on international trade and product differentiation.
26. Illustrate Metzler paradox.
27. Explain Leamers attempt to test HO Theorem.
28. Comment on NAFTA.
29. Explain technical and administrative trade regulations.
30. Give a brief account of Economic integration.
31. Explain offer curve and their use in economic analysis.
32. Discuss the trends in International trade.
33. With the help of diagrams explain the impact of tariffs.

(7 × 2 = 14 Weightage)

PART-D (Essay questions)

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

34. Explain the theory of customs Union & differentiate trade creating and diverting customs Union.
35. Give an account of the important Non Tariff Barriers. Why are NTBs are regarded as more harmful than tariff barriers to trade?
36. Evaluate the Hecksher-Ohlin model.
37. With the help of Rybczynski theorem explain how growth of factors of production affects trade.

(2 × 4 = 8 Weightage)

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