16P324 (Pages: 2) Name……………………..

Reg. No………………….

THIRD SEMESTER M.A. DEGREE EXAMINATION, OCTOBER 2017
(Regular/Supplementary/Improvement)
(CUCSS - PG)
CC15P ECO3 C09 - INTERNATIONAL TRADE
(Economics)
(2015 Admission Onwards)

Time : Three Hours   Maximum : 36 Weightage

Part A
(Objective Type Questions. Answer *all* questions)

1. The European Economic Community is also known as:
    (a) Customs Union   (b) Economic Union
    (c) European Common Market   (d) Free Trade Area

2. The factor endowment model of international trade was developed by:
    (a) Adam Smith   (b) David Ricardo
    (c) John Stuart Mill   (d) Eli Heckscher and Bertil Ohlin

3. The main security guard of international trade is:
    (a) IMF   (b) World Bank   (c) WTO   (d) SAARC

4. The proposition that free trade is superior to no trade was proved by:
    (a) Samuelson (b) Kemp   (c) G.M. Meir (d) Ronald Finlay

5. The scope of international trade and division of labour is denoted by:
    (a) availability of technology   (b) Size of international market
    (c) Availability of capital   (d) Surplus product export.

6. The tariff which maximizes a country's economic welfare is called:
    (a) Protective tariff   (b) Discriminating tariff
    (c) Non discriminating tariff   (d) Optimum tariff.

7. The theory of immiserizing growth relates to:
    (a) Deterioration in terms of trade   (b) Increase in the terms of trade of the country
    (c) Import bias   (d) Export bias

8. Viner believed and demonstrated that Customs Union would:
    (a) Increase welfare   (b) Decrease welfare
    (c) Neither increase nor decrease   (d) Brings prosperity to the country

9. Wassily Leontief's results can be interpreted as:
    (a) Evidence against the Ricardian model
    (b) Evidence against the HO model
    (c) Support for the Ricardian model
    (d) Support for the HO model.

10. Which of the following is concerned with the stability of prices of primary products from the point of view of LDCs?

    (a) GATT   (b) WTO   (c) UNCTAD (d) SAARC

11. Which one of the following is not a non-tariff barrier?

    (a) Voluntary export restraint   (b) Health and product standards

    (c) Environmental protection laws   (d) Advalorem duties.

12. Which trade policy results in the government levying both a specific tariff and an ad-valorem tariff on imported goods?

    (a) Compound tariff   (b) Nominal tariff

    (c) Effective tariff   (d) Revenue tariff

(12 x $\frac{1}{4}$ = 3 Weightage)

Part B
(Very short answer type questions. Answer *any five* questions)

13. Countervailing duty.

14. Terms of trade.

15. Offer curve.

16. Neutral technical progress.

17. Import substitution.

18. NAFTA.

19. Export subsidies.

20. SAARC.   **(5 x 1 = 5 Weightage)**

Part C
(Short Answer Type Questions. Answer *any eight* questions)

21. Explain reciprocal demand theory.

22. Evaluate factor intensity reversal approach.

23. Explain the impact of voluntary export restraints

24. Differentiate between tariff and quota.

25. Different types of terms of trade.

26. Explain Dutch disease.

27. Briefly explain the problems of economic integration.

28. Explain Leontief paradox.

29. State and explain the theory of immiserizing growth.

30. Myrdal thesis of deteriorating terms of trade.

31. Dynamic benefits from customs union.   **(8 x 2= 16 Weightage)**

Part D
(Essay Type Questions. Answer *any three* questions)

32. Discuss the static and dynamic effects of customs union.

33. "Trade is an engine of growth" – Discuss.

34. Discuss the factor endowment theory.

35. Examine the effects of technical progress on output and terms of trade of a country.

36. What are the effects of tariffs in a partial equilibrium and general equilibrium system?

(3 x 4 = 12 Weightage)

****