THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2019

(Regular/Supplementary/Improvement)

(CUCSS-PG)

(Economics)

CC15P ECO3 C09 - INTERNATIONAL TRADE

(2015 Admission onwards)

Time : Three Hours   Maximum : 36 Weightage

Part A

Objective type questions.

Answer *all* questions. Each question carries ¼ weightage.

1. Dumping aims at flooding a foreign country with

   a) Low priced commodities   b) High priced commodities

   c) Commodities with similar prices   d) B & C

2. The 4th and 5th stages of the Product Cycle theory is known as

   a) Product rising stage   b) Product decline stage

   c) Product consistency stage   d) None of the above

3. Wassily Leontief's results can be interpreted as

   a) Evidence against the SS theorem   b) Evidence against the HO Theorem

   c) Support for the SS Theorem   d) Support for the HO Theorem

4. The terms of trade is given by the prices

   a) Paid for all goods exported by the home country

   b) Received for all goods exported by the home country

   c) Received for exports and paid for imports

   d) of primary products as opposed to manufactured products

5. The factor endowment model of international trade was developed by

   a) Adam Smith   b) David Ricardo

   c) Eli Heckscher and Bertil Ohlin   d) Stolper Samuelson

6. A situation which involves absence of tariff and quota

   a) Protection   b) Free trade   c) Trade restriction   d) Autarchy

7. Who first introduced the concept of single factoral terms of trade

   a) Jacob Viner   b) Tausig   c) Gerald M Meier   d) Marshal

8. Which among the following is not a feature of the Customs Union

   a) Non tariff and other barriers on trade among the member nations

   b) Common trade policies towards rest of the world

   c) Common monetary and fiscal policies

   d) All the above

9. Who propounded the opportunity cost Theory of international trade?

   a) Ricardo b) Marshall c) Haberler d) Heckscher & Ohlin

10. If at unchanged terms of trade a nation wants to trade more after growth, then the nation's

    terms of trade can be expected to

    a) Deteriorate b) Remain unchanged c) Improve d) Any of the above

11. Trade in differentiated product refers to

    a) Inter industry trade   b) Intra industry trade

    c) Trade based on economies of scale d) Trade based on product cycles

12. Technological gap model was given by

    a) Posner b) Jacob Viner c) Mrydal d) Raymond Vernon

(12 x ¼ = 3 Weightage)

PART B

Very short answer type questions.

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

13. Offer curves.

14. Effective rate of protection.

15. Dutch Disease.

16. Free Trade Area.

17. Metzler paradox.

18. Utility terms of trade.

19. Resource oriented industries.

20. Exchange controls.

(5 x 1 = 5 Weightage)

PART C

Short answer type questions.

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

21. How does the voluntary export restraints acts as a non tariff barrier to trade?

22. Examine the partial equilibrium effects of tariff.

23. What is the importance of terms of trade?

24. Explain Secular deterioration hypothesis.

25. Discuss Foreign Trade Multiplier

26. How does transportation cost affect the location of industries?

27. Explain technical progress and international trade.

28. Discuss the role of WTO in promoting international trade.

29. Distinguish between trade creation and trade diversion.

30. Explain factor price equalization theorem.

31. Write on Rybczynski Theorem.

(8 x 2 = 16 Weightage)

Part D

Essay type questions.

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

32. What is meant by protectionist devices? What are the major non tariff trade barriers?

33. Discuss Myrdal's views on trade.

34. What are the objectives and benefits of ASEAN? How will India benefit from its membership?

35. Diagramatically explain Hecksher-Ohlin theory. Which force do Hecksher and Ohlin identify as the basic determinant of comparative advantage and trade?

36. Explain international trade based on dynamic technological differences.

(3 x 4 = 12 Weightage)

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