

CS0191

(Pages : 3)

Name..... **21**.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2015

(U.G.—CCSS)

Core Course—Economics

EC 6B 13—INTERNATIONAL ECONOMICS

Time : Three Hours

Maximum : 80 Weightage

Answers may be written either in English or in Malayalam.

Section A (Objective Type Questions)

Answer all twelve questions.

A. Choose the correct answer :

- 1 When India has a trade deficit ?
 - (a) Exports exceed imports.
 - (b) The U.S. economy produces more than it consumes.
 - (c) The trade balance is negative.
 - (d) All of the above.
- 2 Which of the following is an argument for free trade ?
 - (a) Lower consumption possibilities.
 - (b) The need to protect goods and services essential to national security.
 - (c) Greater efficiency through specialization.
 - (d) Aiding infant industries.
- 3 The purpose of the World Trade Organization (WTO) is to :
 - (a) Enforce the rules of free trade.
 - (b) Protect the workers from foreign competition.
 - (c) Protect producers from foreign competition.
 - (d) Ensure there are no losers as a result of free trade.
- 4 International trade :
 - (a) Lowers prices to consumers.
 - (b) Alters the mix of domestic production.
 - (c) Redistributes income from import-competing industries to export industries.
 - (d) All of the above.

Turn over

B. Fill in the blanks :

- 5 When two currencies are on Gold, it is called _____ parity theory.
- 6 Absolute cost advantage was propounded by _____.
- 7 Empirical validity on Heckscher —Ohlin theory was made by _____.
- 8 PPP theory was enunciated by _____.

C. Answer in a word/sentence :

- 9 Spot rate.
- 10 Export subsidy.
- 11 Foreign Trade.
- 12 Revaluation.

(12 × ¼ = 3 wei

Section B

Short Answer Type Questions.
Answer all nine questions.

- 13 Define International trade.
- 14 Explain Labour theory of value
- 15 What do you mean by absolute advantage ?
- 16 Define the term devaluation.
- 17 Explain Interregional Trade.
- 18 Define Dumping.
- 19 Define Economic Integration.
- 20 What are the important forms of trade barriers ?
- 21 What are the important functions of EU ?

(9 × 1 = 9 w

Section C

Short Answer Type Questions.
Answer any five questions.

- 22 What do you mean by comparative advantage ?
- 23 Explain current account.

- 24 Examine the components of FOREX reserve ?
- 25 What is gold standard ?
- 26 Distinguish between depreciation and appreciation of currency.
- 27 Distinguish between balance of payments and trade
- 28 What are the important functions of SAARC ?

(5 × 2 = 10 weightage)

Section D

Essay Questions.

Answer any two of the following.

- 29 Examine Purchasing Power Parity Theory.
- 30 Describe arguments for and against Free trade.
- 31 Critically examine Heckscher-Ohlin theory of Trade.

(2 × 4 = 8 weightage)