

18U529

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Name:

Reg. No.....

FIFTH SEMESTER B. A. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS - UG)

(Regular/Supplementary/Improvement)

CC15U ECO5 B10 – INTERNATIONAL ECONOMICS

(Economics – Core Course)

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries ½ mark.

1. The headquarters of WTO is at -----
(a) Washington (b) Geneva (c) New York (d) Frankfurt
2. PPP theory of exchange rate determination was put forward by
(a) Marshall (b) Pigou (c) Keynes (d) Gustav Cassel
3. Mint parity means parity of currency with -----
(a) Purchasing power (b) Exchange rate (c) Goods and services (d) Gold
4. EU has ----- member states
(a) 26 (b) 27 (c) 28 (d) 29
5. Which is not a member state of NAFTA
(a) USA (b) Cuba (c) Canada (d) Mexico
6. Head quarters of ASEAN is at
(a) Jakarta (b) Kathmandu (c) Geneva (d) Beijing
7. Devaluation leads to -----
(a) Increase in exports (b) increase in imports
(c) Both a & b (d) none of these
8. ----- is also called paper gold
(a) US Dollar (b) Euro (c) Yen (d) SDR
9. Euro is the currency of ----- member states of EU
(a) 18 (b) 19 (c) 20 (d) 21
10. Classical theories of trade considers ----- as the only creator of value
(a) capital (b) labour (c) demand (d) supply
11. Wealth of nations was published in the year
(a) 1776 (b) 1789 (c) 1792 (d) 1799
12. H-O theory is also called
(a) Modern theory (b) factor endowment theory
(c) both a & b (d) none of these

(12 x ½ = 6 Marks)

Part B (Very short answer questions)

Answer any *ten* questions. Each question carries 2 marks.

13. Why terms of trade of a nation are important?
14. Differentiate between devaluation and depreciation
15. What do you mean by the relative version of PPP theory of exchange rate determination?
16. Differentiate between portfolio and direct investment
17. What do you mean by capital account convertibility?
18. What is meant by free trade and protection?
19. Differentiate between internal trade and international trade
20. Why the infant industries need protection?
21. Do you think economic interdependence among countries is necessary?
22. What is an offer curve?
23. Why the mint parity theory is not applicable now?
24. What is meant by economic integration?

(10 x 2 = 20 Marks)

Part C (Short Essay Questions)

Answer any *six* questions. Each question carries 5 marks.

25. Do you think dumping by MNCs badly affect the economic growth of less developed countries? Why?
26. Critically evaluate the HO theory of international trade
27. Explain trade as an engine of growth
28. Write a short note on SAARC
29. What are the functions of foreign exchange market?
30. Do you think a clean float is possible for less developed countries?
31. Which is the more comprehensive account BOT or BOP? Why?
32. What are the conditions necessary for the success of devaluation?

(6 x 5 = 30 Marks)

Part D (Essay Questions)

Answer any *two* questions. Each question carries 12 marks.

33. Critically evaluate the classical theories of international trade
34. What do you mean by disequilibrium in balance of payment? Suggest some measures to correct BOP disequilibrium
35. WTO is the watch dog of international trade. Discuss
36. What are the different barriers to trade?

(2 x 12 = 24 Marks)
