

17P333

(Pages: 3)

Name.....

Reg. No.....

**THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2018**

(Regular/Supplementary/Improvement)

(CUCSS - PG)

**CC15P ECO3 C09 - INTERNATIONAL TRADE**

(Economics)

(2015 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

**PART A**

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

1. 'Infant industry argument' in international trade is given in support of:
  - a) Granting Protection
  - b) Encouragement to export oriented small and tiny industries
  - c) Free trade
  - d) None of the above
2. For Heckscher and Ohlin, the most important cause of the difference in relative commodity prices and trade between nations is a difference in
  - a) Factor endowments
  - b) Technology
  - c) Tastes
  - d) Demand conditions
3. An import quota is:
  - a) A tax on import
  - b) Legal limit on the amount of specified good that can be imported into a particular country
  - c) Tax on import quantities above legal limit
  - d) Way to increase tariff revenues
4. The product cycle theory was developed by
  - a) Raymond Vernon
  - b) Posner
  - c) Myrdal
  - d) Jacob Viner
5. 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 imitation gap and product cycles.
6. The Stolper Samuelson theorem postulates that the imposition of tariff by a nation causes the real income of the nation's
  - a) Scarce factor to rise
  - b) Scarce factor to fall
  - c) Abundant factor to rise
  - d) Scarce and abundant factor to rise.

(1)

**Turn Over**

7. The form of economic integration in which the member nations eliminate tariffs among themselves, adopt a common external tariff wall and allows for the free movement of labour and capital within the union is the

- |                    |                   |
|--------------------|-------------------|
| a) Free trade area | b) Customs Union  |
| c) Common Market   | d) Economic Union |
8. Headquarters of WTO is at:
- |                        |                     |
|------------------------|---------------------|
| a) Geneva, Switzerland | b) Paris, France    |
| c) Tokyo , Japan       | d) New Delhi, India |
9. Immiserizing growth was first proposed by
- |                |                     |
|----------------|---------------------|
| a) Amartya Sen | b) Jagdish Bhagwati |
| c) Myrdal      | d) Karl Marx        |
10. The H-O theory postulates that as a result of trade the difference in factor prices between nations:
- |                     |                                 |
|---------------------|---------------------------------|
| a) Diminishes       | b) Increases                    |
| c) Remain unchanged | d) Any of the above is possible |
11. Customs union always lead to:
- |   |                                |
|---|--------------------------------|
| a) Trade diversion effect alone                       | b) Trade creation effect alone |
| c) Both trade creation and trade diversion effects    |                                |
| d) Neither trade creation nor trade diversion effects |                                |
12. Offer curve was introduced by:
- |                     |                      |
|---------------------|----------------------|
| a) Alfred Marshall  | b) F Y Edgeworth     |
| c) Both (a) and (b) | d) None of the above |

(12 x ¼ = 3 Weightage)

#### PART B

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

13. What are voluntary export restraints?
14. Define export subsidy.
15. What is meant by factor intensity reversal?
16. Explain the factor-price equalization theorem.
17. Comment on Dutch disease.
18. Define Metzler paradox.
19. Explain Leontief paradox.
20. Explain briefly NAFTA.

(5 x 1 = 5 Weightage)

(2)

#### PART C

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

21. How can intra industry trade be measured? What are the shortcomings of such a measure?
22. Discuss the role of trade restrictions in promoting the economic growth of under developed countries?
23. Explain different types of technical progress.
24. Discuss the Stolper Samuelson Theorem.
25. What is meant by Strategic trade policy?
26. Explain immiserising growth.
27. Dynamic changes in technology among nations can be a separate determinant of international trade. Explain.
28. Examine Two- gap model.
29. Write a note on economies of scale and international trade.
30. Comment on ASEAN.
31. Trade is an engine of growth. Explain.

(8 x 2 = 16 Weightage)

#### PART D

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. How do offer curves define the equilibrium relative commodity price at which trade takes place?
34. Discuss the role of WTO in promoting international trade. Explain the objectives and functions of WTO.
35. Critically examine the theory of Customs Union.
36. Examine the various concepts of terms of trade. Discuss the factors which determine it.

(3 x 4 = 12 Weightage)

\*\*\*\*\*

(3)