

D 90354

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.A./B.Sc. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS—UG)

Economics

ECO 5B 10—INTERNATIONAL ECONOMICS

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Section A

Answer all questions.

Each question carries 1 mark.

1. International trade refers to trade between :
 - (a) Two regions of the country.
 - (b) Two commodities produced in different countries.
 - (c) Two countries.
 - (d) None of the above.
2. The trade theory that states that nations should accumulate wealth, usually in the form of gold, by encouraging exports and discouraging imports is called :
 - (a) Keynesianism.
 - (b) Individualism.
 - (c) Socialism.
 - (d) Mercantilism.
3. Classical theory of international trade takes into account :
 - (a) Cost of all factors.
 - (b) Cost of labour alone.
 - (c) Cost of capital alone.
 - (d) Cost of capital and labour.
4. Balance of trade includes :
 - (a) Goods accounts only.
 - (b) Service accounts only.
 - (c) Goods and service accounts only.
 - (d) Unilateral transfer accounts.
5. _____ is the deliberate downward adjustment in the official exchange rate, which reduces the currency's value.
 - (a) Devaluation.
 - (b) Revaluation.
 - (c) Appreciation.
 - (d) Depreciation.

Turn over

6. International Monetary Fund started functioning on :
(a) 1944. (b) 1947.
(c) 1995. (d) 1991.
7. The tariff imposed as a fixed percentage of the value of the commodity imported are called :
(a) Specific tariff. (b) Compound tariff.
(c) Advalorem tariff. (d) Nominal tariff.
8. Currency of European Union is called :
(a) Pound Sterling. (b) Euro.
(c) Dollar. (d) Ruble.
9. The rate at which the currency of one country is exchanged for that of another is called :
(a) Exchange rate. (b) Terms of trade.
(c) Balance of Payments. (d) Balance of Trade.
10. The first empirical test of Heckscher-Ohlin theory was conducted by :
(a) D. Young. (b) Adam Smith.
(c) David Ricardo. (d) Leontief.
11. ASEAN was formed in :
(a) 1989. (b) 1967.
(c) 1957. (d) 1979.
12. A tariff is :
(a) A tax on imports only. (b) A tax on exports only.
(c) A luxury tax. (d) A tax on either exports or imports.

(12 × 1 = 12 marks)

Section B (Very Short Answer Type Questions)

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall ceiling 18.

13. What is foreign exchange market ?
14. Write a note on export subsidy.

15. What is meant by protection ?
16. What is terms of trade ?
17. Explain Internal trade.
18. Write a note on European Union.
19. What is Balance of Trade ?
20. Define Tariffs.
21. Write a note on free trade.
22. Define Dumping.
23. What is devaluation ?
24. Define hybrid exchange rate.

(6 × 3 = 18 marks)

Section C (Short Essay Type Questions)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall ceiling 24.

25. Explain the important forms of economic integration.
26. Write a note on ASEAN.
27. Explain Heckscher-Ohlin model.
28. What are the functions of foreign exchange market ?
29. Explain the arguments for protection.
30. Explain important systems of foreign exchange market.
31. Explain the functions of IMF.
32. Explain Leontief Paradox.

(4 × 6 = 24 marks)

Turn over

Section D (Essay Type Questions)

Answer any two questions.

Each question carries 13 marks.

33. Explain in detail the theories of Exchange rate determination.
34. What are the important causes of BoP disequilibrium ? Explain important measures to correct disequilibrium in BoP.
35. Explain the tariffs and non-tariffs barriers of international trade.
36. Explain the role of international trade in economic development of a country.

(2 × 13 = 26 marks)

Studynotes.in