

**SIXTH SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, MARCH 2017**

(UG-CCSS)

Economics

EC 6B 13 – INTERNATIONAL ECONOMICS

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A

I. Objective type questions. Answer *all twelve* questions :

Choose the correct answer :

1. The highest form of economic integration is :

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|----------------------|---------------------|
| (a) Free trade area. | (b) Customs union. |
| (c) Common market. | (d) Economic union. |

2. The purchasing power parity theory is associated with :

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|--------------------|-------------------------|
| (a) W.W. Leontief. | (b) Gustav Cassel. |
| (c) J.B. Say. | (d) Alexander Hamilton. |

3. Ricardo's Comparative cost doctrine is based on :

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|------------------------------|------------------------------|
| (a) Marginal utility theory. | (b) Benefit theory of trade. |
| (c) Business cycle. | (d) Labour theory of value. |

4. The GATT came into force in :

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|-----------|-----------|
| (a) 1948. | (b) 1995. |
| (c) 1975. | (d) 1944. |

(B) Fill in the blanks. Answer *all* questions :

5. A trade situation where there is a complete absence of tariff and quota is called _____.
6. Leontief paradox is a critique on _____ theorem.
7. A fall in the value of domestic currency due to market force is called _____ of currency.
8. The rate at which currency of one country is exchanged with other is called _____.

(C) True or False questions. Answer *all* questions :

9. IMF is also known as the World Bank.
10. The headquarters of SAARC secretariat are in Kathmandu.

Turn over

11. Tariff is more restrictive trade practice than quota.
12. Merchandise export is an invisible item in the Balance of Payment account of a country.

(12 × ¼ = 3 weightage)

Part B

II. Short Answer Questions. Answer *all nine* questions:

13. What is meant by Free Trade?
14. Define Tariff.
15. Define Balance of payment.
16. What is countervailing duty?
17. What is meant by Economic Integration?
18. Explain the Infant industry argument.
19. What is Labour theory of value?
20. Define the trade practice of Dumping.
21. What is meant by Appreciation of currency?

(9 × 1 = 9 weightage)

Part C

III. Short Essay or Paragraph Type Questions. Answer any *five* questions :

22. Distinguish between devaluation and depreciation of currency.
23. Distinguish between internal trade and international trade.
24. Differentiate fixed and flexible exchange rate regime.
25. What are the important arguments in favour of restrictive trade?
26. What are the important non-tariff barriers of trade?
27. Explain the difference between current account and capital account of BOP.
28. What is Leontief paradox?

(5 × 2 = 10 weightage)

Part D

IV. Essay Questions. Answer any *two* questions :

29. What are the important methods to correct disequilibrium in BOP?
30. Critically examine the Hecksher-Ohlin theory of International Trade.
31. Evaluate the importance of Comparative cost doctrine of International Trade.

(2 × 4 = 8 weightage)