31486

Name_____

Reg. No._____

THIRD SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2017

(CUCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer **all** *questions from the given alternatives.*
Each bunch of **four** *questions carries a weightage of* **1.**

1. The secular deterioration in terms of trade argument was put forward by :

   (a) Haberler.
   (b) J. S. Mill.
   (c) Ohlin.
   (d) Prebisch and Singer.

2. The trade theory that explains dynamic comparative advantage is :

   (a) Ricardian theory.
   (b) H. O. Theory.
   (c) Product Life cycle theory.
   (d) Reciprocal demand theory.

3. If rate of growth of trade is greater than rate of growth of Income, growth has :

   (b) Antitrade bias.
   (b) Ultra pro trade bias.
   (c) Pro trade bias.
   (d) Ultra anti trade bias.

4. Bakwash effect was explained by :

   (b) Prebisch.
   (b) Singer.
   (c) Haberler.
   (d) Myrdal.

5. Countervailing tariff is imposed mainly for the purpose of :

   (a) Earning Revenue.

   (b) Protecting infant industries.

   (c) Compensate for export subsidies.

   (d) Administrative convenience.

6. Which theory deals with intra industry trade ?

   (a) H. O. Theory.
   (b) Linder Theory.
   (c) Comparative cost.
   (d) Opportunity cost.

7. The main reason for immiserising growth is :
   (a) Monopoly position of a country.
   (b) Shift in demand pattern.
   (c) Poor product quality.
   (d) Tariff.

8. In which type of integration free movement of factors between nations is allowed
   (a) Free Trade Area.
   (b) Economic union.
   (c) Customs union.
   (d) None of these.

9. Which tool is used to show the determination of terms of trade ?
   (a) Production possibility curves.
   (b) Offer curves.
   (c) Indifference curves.
   (d) Contract curves.

10. Which of the following is a quantitative restriction ?
   (a) Exchange control.
   (b) Quota.
   (c) Tariff.
   (d) Technical standards.

11. The classical economists argued for :
   (a) Free trade.
   (b) Restricted trade.
   (c) Import substitution.
   (d) Export promotion.

12. The SAARC Secretariat is at :
   (a) Kuala Lumpur.
   (b) Kathmandu.
   (c) Dhaka.
   (d) New Delhi.

   (12 × ¼

Part B (Very Short Answer Questions)

Answer any five questions.
Each question carries a weightage of 1.

13. What is Leontief paradox ?

14. What is Physical abundance of factors ?

15. What is ASEAN ?

16. What is Voluntary Export Restraint ?

17. What is demand reversal ?

18. What is trade diversion ?

19. What is a tariff ?

20. What is a free trade area ?

(5 × 1 = 5 weightage)

Part C

Answer any eight questions.
Each question carries a weightage of 2.

21. Explain the Rybczynski theorem.

22. How trade can hinder development according to Myrdal ?

23. Explain the concept of foreign trade multiplier.

24. What are the dynamic benefits of Customs union ?

25. How trade leads to factor price equalization ?

26. What is meant by Effective Rate of Protection ?

27. Explain the determination of terms of trade using offer curves.

28. What is optimum tariff ?

29. Write a note on European Union.

30. Explain the imitation lag theory.

31. Explain how Product Life Cycle theory explains dynamic comparative advantage.

(8 × 2 = 16 weightage)

Part D (Essay Questions)

Answer any three questions.
Each question carries a weightage of 4.

32. What is immiserizing growth ? What are the situations that cause immizerising growth ?

33. Explain the major Non-Tariff Barriers to trade.

34. Critically examine the Stolper Samuelson theorem.

35. Explain the role of SAARC in promoting regional co-operation.

36. Explain the Heckscher Ohlin theory of trade.

(3 × 4 = 12 weightage)