

D 11410

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Name.....

Reg. No.....

**THIRD SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2021**

[November 2020 for SDE/Private Students]

(CBCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions (Not applicable to SDE/Private Students)

1. In cases where choices are provided, students can attend **all** questions in each section.
2. The minimum number of questions to be attended from the Section / Part shall remain the same.
3. The instruction if any, to attend a minimum number of questions from each sub section / sub part / sub division may be ignored.
4. There will be an overall ceiling for each Section / Part that is equivalent to the maximum weightage of the Section / Part.

Part A (Multiple Choice Questions)

Answer all questions.

Each bunch of five questions carries a weightage of 1.

1. _____ is the assumption of reciprocal demand theory.

(a) Constant returns to scale.	(b) Increasing returns to scale.
(c) Decreasing returns to scale.	(d) Negative returns to scale.
2. Forgone benefit that would have been derived by an option not chosen is _____.

(a) Derived demand.	(b) Reciprocal demand.
(c) Opportunity cost.	(d) Cost-benefit.
3. Composite Commodity Theorem was credited to _____.

(a) Marshall.	(b) Edgeworth.
(c) Ohlin.	(d) Leontief.
4. Imposition of a tariff on imports may reduce the relative internal price of that good, was proposed by _____.

(a) Vernon.	(b) Lloyd Metzler.
(c) Kravin.	(d) Linder.

Turn over

5. Technological gap model was developed by :
 - (a) Vernon.
 - (b) M.V. Posner.
 - (c) Leontief.
 - (d) Kravis.
6. Availability theory was developed in _____.
 - (a) 1946.
 - (b) 1966.
 - (c) 1936.
 - (d) 1956.
7. Rybczynski theorem displays how changes in endowment affect the outputs of the goods when _____ is sustained.
 - (a) Unemployment.
 - (b) Full employment.
 - (c) Under employment.
 - (d) Employment.
8. _____ is an economic term for the negative consequences that can arise from a spike in the value of a nation's currency.
 - (a) Singer Thesis.
 - (b) Ohlin theory.
 - (c) Dutch disease.
 - (d) Myrdal theory.
9. Once a custom union is created, members agree to eliminate _____ between themselves.
 - (a) Taxes.
 - (b) Tariffs.
 - (c) Fine.
 - (d) Agreements.
10. Among the following which is related to SAFTA :
 - (a) SAATTA.
 - (b) NAAFTA.
 - (c) NAATA.
 - (d) SAARC.
11. EU was created in :
 - (a) November 1st 1996.
 - (b) November 1st 1995.
 - (c) November 1st 1994.
 - (d) November 1st 1993.
12. _____ is the unification of economic policies between different states.
 - (a) Arbitrage.
 - (b) Cartel.
 - (c) Economic integration.
 - (d) Price leadership.
13. _____ is the only global international organization dealing with the rules of trade between nations.
 - (a) ASEAN.
 - (b) IMF.
 - (c) WTO.
 - (d) IBRD.
14. _____ is related to Chicago school.
 - (a) Trade creation.
 - (b) Dumping.
 - (c) Optimum tariff.
 - (d) Trade waste.

15. ITA ruling is based on a strong likelihood that dumping would repeat if ———
- (a) Price. (b) Hoarding.
(c) Money. (d) Tariff.

(15 × 1/5)

Part B (Very Short Answer Type Questions)

Answer any five questions.

Each question carries a weightage of 1.

16. Define terms of trade.
17. How trade act as engine of growth ?
18. What is Metzler Paradox ?
19. Define foreign trade multiplier.
20. Explain Dutch disease.
21. What is Myrdal's view on trade and growth ?
22. Define new protectionism.
23. What are the recent issues in ASEAN ?

(5 × 1 =

Part C (Short Answer Type Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Briefly explain the importance of trade in the economic development of a country.
25. Explain opportunity cost principle.
26. Briefly explain Leontief Paradox.
27. Explain Prebisch-Singer Thesis.
28. Explain Rybczynski theorem.
29. Compare import substitution and export orientation in the context of India's new policy.
30. Explain dumping and anti-dumping duties.
31. Briefly explain export subsidies.

32. Write a note on economic integration.
33. Explain the role of WTO in the present international trade.

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries a weightage of 4.

34. Explain Heckscher-Ohlin theory of international trade.
35. Explain factor-price equalisation theorem.
36. What is a tariff? Explain the effects of tariff.
37. Briefly explain the major theories of customs union.

$(2 \times 4 = 8 \text{ weightage})$