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(FOR THE CANDIDATES ADMITTED

SUB CODE **23UEO204**

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MAY 2024

B.A ECONOMICS

MAXIMUM MARKS: 75

SEMESTER: II

TIME : 3 HOURS

**PART-III
INTERNATIONAL ECONOMICS**

SECTION-A

(10 x 1 = 10)

ANSWER THE FOLLOWING QUESTIONS.(K1)

1. Which of the following international Trade theories, the 'Leontief Paradox' pertains to _____

- | | |
|---------------------------------|------------------------------|
| a) Comparative Advantage theory | b) Product life cycle theory |
| c) Absolute Advantage theory | d) Heckscher-Ohlin theory |

2. Trade is a process which includes _____

- | | |
|----------------------------------|-------------------------------|
| a) Buying goods and services | b) Selling goods and services |
| c) Exchanging goods and services | d) None of these |

3. What does the Balance of Payments (BoP) measure?

- | | |
|---|-------------------|
| a) Government spending | b) Trade balance |
| c) Financial transactions with foreign entities | d) Inflation rate |

4. What is the term for the value of a country's currency decreasing in relation to another currency over time?

- | | | | |
|-----------------|-----------------|----------------|----------------|
| a) Appreciation | b) Depreciation | c) Revaluation | d) Devaluation |
|-----------------|-----------------|----------------|----------------|

5. Which organization is responsible for maintaining exchange rate stability among its member countries?

- | | |
|--------------------------------------|------------------------|
| a) International Monetary Fund (IMF) | b) World Bank |
| c) World Trade Organization (WTO) | d) United Nations (UN) |

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES(K2)

6. Which is a group of countries that agree to abolish all trade restrictions and barriers?

7. The term Euro Currency market refers to what?
8. Balance of Payments uses the which system of accounting?
9. What is the primary goal of a currency board system?
10. What is the form of assistance that members of World Bank get?

SECTION – B

(5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

11. a) What are the advantages of Internal trade.
(or)
b) Explain the Ricardo's comparative cost theory.

12. a) What are the gains from trade exchange?
(or)
b) What are the trade problems of developing countries?

13. a) What is the purpose and importance of the balance of payments?
(or)
b) What are the causes for the Balance of Payments Disequilibrium in India?

14. a) What are the merits of flexible exchange rate?
(or)
b) What is the objective of exchange control in India?

15. a) What do you mean by Special Drawing Rights? Briefly explain.
(or)
b) What is the new economic order of international law?

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

16. a) Explain the nature and scope of International Trade.
(or)
b) Distinguish between Internal and international trade.

17. a) Explain the different types of terms of trade.
(or)
b) Point out the factors determining terms of Trade.

18. a) Distinguish between Balance of Payments and Balance of Trade.
(or)
b) Describe the various methods of correcting Balance of Payments Disequilibrium.

19. a) Explain the various methods of Exchange control.
(or)
b) Elucidate the various causes of fluctuations in Exchange Rates.

20. a) Analyze the role of IMF in solving International Liquidity.
(or)
b) Discuss the Achievements and failures of the World Bank.