

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021 ONLY)

21UEO204

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : JULY 2022

B.A .ECONOMICS
SEMESTER-II

MAXIMUM MARKS: 70
TIME : 3 HOURS

PART – III

INTERNATIONAL ECONOMICS

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Adam Smith theory of international trade is based on the existence of differences cost of_____.
a) Relative b) comparative c) Absolute d) Opportunity
2. The differences in cost ratios of producing two commodities in two countries are the gain from trade of_____.
a) Actual b) Potential c) Absolute d) Both Actual and Potential
3. Which one among the below is not the component of current account balance of payment____.
a) Export b) Import
c) Transfer payment d) Borrowing from foreign country.
4. The fixed exchange rate is also known as_____.
a) Pegged b) Floating c) Fluctuating d) Forward
5. The SDR was created by the IMF in the year of_____.
a) 1949 b) 1955 c) 1987 d) 1969

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Define the inter- regional trade?
7. Indicate the meaning of Gains from Trade.
8. Define –Balance of Payment
9. Define the Exchange Rate?
10. Interpret the term Special Drawing Right.

(CONTD...2)

SECTION – B**(5 X 4 = 20 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the Ricardo's comparative cost theory of trade.

(OR)b) Find how does Leontif paradox invalidate the Heckscher-Ohlin theory of international trade?
Explain

12. a) Assess a critical assessment on Commodity terms of trade.

(OR)

b) Describe the modern approach of measuring gains from trade.

13. a) Describe the various components of balance of payment accounts

(OR)

b) List any three measures to correct disequilibrium in Balance of Payments.

14. a) Compare the spot and forward exchange rate.

(OR)

b) Discover the various indirect methods of exchange control

15. a) List out the major functions of World Bank.

(OR)

b) Assess the features of New International Economic Order.

SECTION - C**(4 X 10 = 40 MARKS)****ANSWER ANY FOUR OUT OF SIX QUESTIONS****(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS****(FROM Qn. No : 17 to 21)****(K4 (Or) K5)**

16. "Differences between internal and international trade are of degrees and not of Kind"- Give reasons thereof.

17. Discuss critically the modern theory of international trade.

18. Examine and analyse the factors which determine the gains from trade.

19. Evaluate the major causes of disequilibrium in Balance of Payments.

20. Investigate the arguments for and against on a system of flexible exchange rate.

21. Discuss the nature and uses of Special Drawing Rights(SDR) by the member countries of the IMF.

