UG 5th Semester Examination 2021

ECONOMICS (Honours)

Paper Code : DC-11

International Economics

[CBCS]

Full Marks: 32   **Time: Two Hours**

The figures in the margin indicate full marks.

Group – A

Answer any *four* questions   **2 × 4 = 8**

1. Define Terms of Trade.
2. What is the cause of comparative cost difference in Ricardo's view?
3. What is the physical definition of factor abundance in explaining Heckscher-Ohlin Theorem?
4. If import demand is unitary elastic, what will be the shape of the offer curve?
5. What are the expected impacts of tariff on large country's terms of trade and volume of trade?
6. What is Balance of Trade?

Group-B

Answer any *four* questions   **4×4= 16**

7. What is Absolute Advantage Theory? What are its major drawbacks?   2+2
8. State and explain Rybczynskis' theorem.
9. Explain the concept of optimum tariff. State when its value will be zero.   3+1
10. Differentiate Nominal Exchange rate from Real Exchange rate.
11. Show with a hypothetical example that balance of payments is always balanced in accounting sense.
12. Discuss how the offer curve can be derived from production possibility frontier and terms of trade.
13. Distinguish between the effects of Tariff and Quota under usual conditions.
14. Write a short note on the Infant Industry Argument.

Group- C

Answer any *one* question   **8×1=8**

15. State and prove the Stolper-Samuelson Theorem.   2+6
16. What is Marshal-Lerner condition? Explain the effect of currency devaluation on trade in the light of Marshal -Lerner Condition.   3+5