

B. A. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2018**(2015 Admission Regular)****SEMESTER VI - CORE****EC6B14B - INTERNATIONAL ECONOMICS****Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer all questions. Each question carries 1 marks****(6x1=6)**

1. Discuss importance of Terms of trade
2. Define Absolute cost advantage
3. What is Devaluation?
4. What is currency swap?
5. What is put option.
6. What are Quotas?

Part B**II. Answer any Seven questions. Each question carries 2 marks****(7x2=14)**

7. Illustrate offer curve
8. Briefly discuss meaning and significance of International economics
9. What is Technology Gap theory
10. Briefly highlight the trade policy suggested by classical economists and the rationale for the same
11. What is disequilibrium in the Balance of Payments?
12. What is Marshall-Lerner condition?
13. Explain price-specie flow mechanism.
14. What do you mean by real exchange rate?
15. Discuss various types of Non Tariff barriers
16. Discuss relevance of tariffs as a toll of trade barrier

Part C**III. Answer any Five questions. Each question carries 6 marks****(5x6=30)**

17. What is opportunity cost theory of trade?
18. What do you mean by Leontief Paradox, Explain?
19. Distinguish between equilibrium and disequilibrium in balance of payments. Suggest both monetary and nonmonetary measures to correct a deficit in BOP
20. Under which heading will the following be included in India's BOP statement –FDI, FII, Investment by Tata group of companies in Africa, Investment by foreign company Honda in an Indian Company ? Give reasons for the same explaining the relevant accounts under BOP
21. Discuss the advantages and disadvantages of fixed exchange rate.
22. Explain futures and forwards.
23. What are the reasons for a country adopting protective measures?
24. Discuss factors that led to collapse of Bretton woods system

Part D**IV. Answer any Two questions. Each question carries 15 marks****(2x15=30)**

25. Critically evaluate factor endowments theory. Highlight its relevance in explaining trade patterns in the world
26. Explain structure of BOP and the accounting procedure followed in preparing the BOP statement
27. Explain foreign exchange risks. How can they be managed?
28. Explain Tariffs and Quotas and its impact on trade