

TB245129L

Reg. No : .....

Name : .....

INTEGRATED M.A EXAMINATION, FEBRUARY 2024  
2020, 2021 ADMISSIONS SUPPLEMENTARY (SAY)  
SEMESTER V - CORE COURSE Social Sciences - Economics  
EC05C19IM20 - International Economics

Time : 3 Hours

Maximum Weight : 30

**Part A**

**I. Answer any Eight questions. Each question carries 1 weight**

**(8x1=8)**

1. What is the Law of Comparative Advantage?
2. State Absolute Advantage.
3. What is Factor Price Equalisation Theorem?
4. What do you mean by reciprocal demand curves?
5. Define capital-saving technical progress.
6. Define The Metzler Paradox
7. Define Balance of Trade.
8. What is capital account balance?
9. Define Currency Swap.
10. Define Arbitrage.



**Part B**

**II. Answer any Six questions. Each question carries 2 weight**

**(6x2=12)**

11. Why does a production frontier that is concave from the origin indicate increasing opportunity costs in both commodities? What does the slope of the production frontier measure? How does the slope change as the nation produces more of the commodity measured along the horizontal axis and more of the commodity measured along the vertical axis? Explain graphically.
12. What does the factor–price equalization theorem postulate? Explain.
13. What do you mean by State Trading Monopolies? Enumerate.
14. Write a short essay on The Stolper–Samuelson Theorem.
15. What are the components of the balance of payment structure?
16. Briefly explain the effects of devaluation on BOP.
17. Write a short note on Foreign Exchange Risk.
18. Diagrammatically explain the demand for Foreign Exchange and also state the reasons for rising demand for Foreign Exchange.

**Part C**

**III. Answer any Two questions. Each question carries 5 weight**

**(2x5=10)**

19. How are relative commodity prices and the comparative advantage of nations determined under increasing costs. Also show the basis and the gains from trade.
20. What does The Stolper–Samuelson Theorem postulate. Explain.
21. Explain in detail the measures to correct disequilibrium in BOP.
22. What determines demand and supply for foreign exchange? Enumerate.