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**Integrated M.A . Programme (C.S.S) EXAMINATION, NOVEMBER 2024****2022 ADMISSIONS REGULAR****SEMESTER V - CORE COURSE 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 relationship between the opportunity cost of a commodity and the relative price of that commodity?
2. What is the exception to the Law of Comparative Advantage? How prevalent is it?
3. What is meant by labor-intensive commodity?
4. If labor and capital can be substituted for each other in the production of both commodities, when can we say that one commodity is capital intensive and the other labor intensive?
5. Define the concept of Optimum Tariff.
6. What does the Stolper-Samuelson theorem postulate?
7. What is meant by BOP surplus?
8. Define Balance of Trade.
9. What is Foreign Exchange Rate?
10. What are Spot and Forward Rates?

**Part B****II. Answer any Six questions. Each question carries 2 weight****(6x2=12)**

11. What is the one basic difference between trade model under increasing costs and the constant opportunity costs case? Explain graphically.
12. What does the factor-price equalization theorem postulate? Explain.
13. Diagrammatically explain the effects of Quota.
14. Explain the Paradox of Plenty.
15. Briefly explain the effects of devaluation on BOP.
16. Explain the concept of BOP and BOT. Also differentiate between both the concepts.
17. Write a short note on Currency Swap.
18. Write a brief note on Hedging.

**Part C****III. Answer any Two questions. Each question carries 5 weight****(2x5=10)**

19. Explain the Standard Theory of International Trade.
20. What does The Stolper-Samuelson Theorem postulate. Explain.
21. Explain in detail the measures to correct disequilibrium in BOP.
22. Explain in detail the demand for and supply of foreign exchange.