TDC Even Semester Exam., 2017
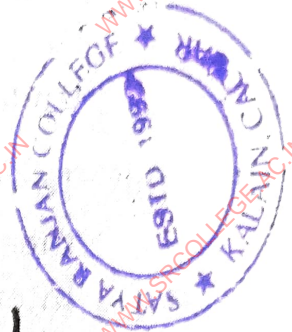
ECONOMICS

(Honours)

(4th Semester)

Course No. : ECOH-402

(International Economics)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. *(a)* Explain the absolute advantage theory of international trade of Adam Smith.   6

   (b) Define offer curve and its elasticities.   4

2. *(a)* What are the advantages of international trade? Analyze the gains from trade under constant cost.   2+4=6

   (b) Explain the use of offer curves in determining international price.   4

(Turn Over)

UNIT—II

3. (a) Mention the conditions under which Heckscher-Ohlin theory of international trade is valid. 5

   (b) To what extent is Heckscher-Ohlin theory superior to classical theory of international trade? 5

4. (a) State in detail the factor price-equalization theorem of international trade. 6

   (b) Write a note on factor intensity reversals. 4

UNIT—III

5. (a) Distinguish between tariffs and quotas. 4

   (b) What are the impacts of tariffs in partial equilibrium analysis? Explain. 6

6. (a) What are the different types of quota? 2

   (b) Why are they deemed to be superior to tariffs? 4

   (c) Compare between price effect and terms of trade effects of quotas, and tariffs. 4

UNIT—IV

7. *(a)* What are the different components of balance of payments?   4

(b) Explain the consequences of disequilibrium in the balance of payments.   6

8. Explain the policy of devaluation to solve balance of payments disequilibrium. Do you consider devaluation as an appropriate policy for less developed countries suffering from balance of payments disequilibrium?

   6+4=10

UNIT—V

9. What is protection? Give arguments for and against protection.   2+(4+4)=10

10. *(a)* Write notes on 'export promotion' and 'import substitution' measures.   4

(b) Explain in detail EXIM Policy for 2002–07.   6

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