

TDC Even Semester Exam., 2018

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ECONOMICS

( Honours )

( 4th Semester )

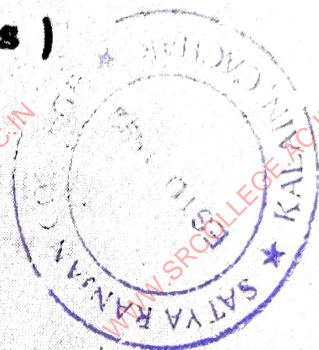
Course No. : ECOH-402

( 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) Mention three factors that give rise to a separate theory of international trade. 3  
(b) "Trade between two countries arises only when comparative costs of producing commodities vary." Discuss. 7
2. Define production possibility curve. Analyze the gains from trade under the following conditions : 2+(4+4)=10
  - (a) Increasing cost
  - (b) Decreasing cost

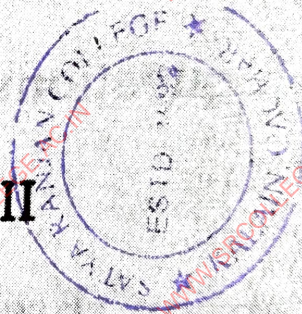


2) UNIT—II

3. Explain the following with the help of diagram:

- (a) Price criterion of factor abundance
  - (b) Physical criterion of factor abundance
4. (a) Make a comparison between Heckscher-Ohlin model and Ricardian model of international trade.
- (b) Give a brief note on Factor-price equalization theorem.

UNIT—III



5. (a) Define quota.

(b) Discuss briefly the advantages and disadvantages of quota.

6. (a) What is optimum tariff?

(b) The magnitude of optimum tariff depends upon the elasticity of foreign offer curve. Explain.



UNIT—IV

7. Critically explain foreign trade multiplier with the help of diagram. 10

8. (a) Distinguish between balance of trade and balance of payments. 2

(b) What are the different types of disequilibrium in the balance of payments? How can the balance of payment disequilibrium be connected?

4+4=8

UNIT—V

9. How can trade contribute to economic growth of a country? Analyze the infant industry argument of protection in developing countries. 4+6=10

10. Write short notes on any two of the following : 5×2=10

(a) Prebisch-Singer Thesis

(b) Export promotion measures in India

(c) Benefits of protection in developing countries