D 51007 (Pages : 4) Name...

Reg. No....................................

THIRD SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, NOVEMBER 2023

(CBCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2019 Admission onwards)

Time : Three Hours   Maximum : 30 Weightage

Part A (Multiple Choice Questions)

Answer **all** *questions.*

Each bunch of **five** *questions carries a weightage of* 1/5.

1. By 2015, how many member states were there in the EU ?

    A) 15.   B) 25.

    C) 28.   D) 30.

2. Trade between two countries can be useful if cost ratios of goods are :

    A) Undetermined.   B) Decreasing.

    C) Equal.   D) Different.

3. Which of the following explains intra-industry trade ?

    A) Wrong industrial classification.   B) Product differentiation.

    C) Economics of scale.   D) All of the above.

4. The term Euro Currency market refers to :

    A) The international foreign exchange market.

    B) The market where the borrowing and lending of currencies take place outside the country of issue.

    C) The countries which have adopted Euro as their currency.

    D) The market in which Euro is exchanged for other currencies.

Turn over

5. International trade and domestic trade differ because of :

    A)   Different government policies.

    B)   Immobility of factors.

    C)   Trade restrictions.

    D)   All of the above.

6. Government policy about exports and imports is called :

    A)   Commercial policy.   B)   Fiscal policy.

    C)   Monetary policy.   D)   Finance policy.

7. Which of the following is international trade :

    A) Trade between countries.   B)   Trade between regions.

    C)   Trade between provinces.   D)   Both B) and C).

8. OPEC is the ————————.

9. An offer curve

    A)   Differs from usual demand curve only.

    B)   Differs from usual supply curve only.

    C)   Same as usual demand curve.

    D)   Differs from both demand and supply curves.

10. SAARC was formed in :

    A)   1995.   B)   1985.

    C)   1980.   D)   1990.

11. Market in which currencies buy and sell and their prices settle on is called the :

    A)   International bond market.   B)   International capital market.

    C)   Foreign exchange market.   D)   Eurocurrency market.

12. Graphical representation of reciprocal demand is referred to as :

    A)   Offer curve.   B)   Demand curve.

    C)   Supply curves.   D)   Contract curve.

13. Internal and international trade differs in terms of :

    A) Geographical and climatic conditions.

    B) Mobility of factors of production.

    C) Factor endowment.

    D) All of these.

14. Strength and elasticity of one country's Demand for the other country's commodity in exchange for its commodity at different terms of trade is referred to as :

    A) Reciprocal demand.   B) Market demand.

    C) Individual demand.   D) None of these.

15. In the classical model of Ricardo, the direction of trade is determined by :

    A) Absolute advantage.   B) Comparative advantage.

    C) Physical advantage.   D) Which way the wind blows.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries a weightage of 1.

16. BOP disequilibrium.

17. Opportunity Cost Trade Theory.

18. Regional Trade Blocs.

19. Fixed exchange rate.

20. Net Barter Terms of Trade.

21. Metzler Paradox.

22. Foreign trade multiplier.

23. Economic Integration.

(5 × 1 = 5 weightage)

Turn over

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Part C (Short Answer Questions)

Answer any **seven** *questions.*
Each question carries a weightage of 2.

24. What is meant by effective rate of protection ? State the partial equilibrium analysis of trade barriers for small countries.

25. Explain Posner's Imitation gap.

26. "Trade as an engine of growth". Discuss.

27. Discuss the Kravis theory of Availability.

28. What are the results of empirical testing of the Ricardian Model ?

29. Explain Technological Gap and Product Cycle Model.

30. Explain Stolper Samuelson theorem.

31. How can intra industry trade measured. What are the shortcomings of such a measure ?

32. Write about the Optimum tariff.

33. Discuss the different types of exchange rate.

$(7 \times 2 = 14$ weightage$)$

Part D (Essay Questions)

Answer any **two** *questions.*
Each question carries a weightage of 4.

34. Explain the function of WTO.

35. State the Static and dynamic effects of Customs Union.

36. Describe H-O Trade Model.

37. Explain the Immerisation Growth theory of trade

$(2 \times 4 = 8$ weightage$)$