



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)
Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – August 2020
VI Semester

Class : III UG
Major : Economics

Time : 2 Hours
Max. Marks : 50

15BECC24 International Economics

Part A

10 x 1 = 10

Choose the Correct Answer

- Theory of comparative advantage was presented by:
a. Adam Smith
b. Ricardo
c. Hicks
d. Arshad
- According to Heckscher and Ohlin basic cause of international trade is difference in
a. factor endowments
b. markets
c. political systems
d. ideology
- Which is NOT an advantage of international trade?
a. Export of surplus production
b. Import of defence material
c. Dependence on foreign countries
d. Availability of cheap raw materials
- Terms of trade of developing countries are generally unfavourable because
a. they export primary goods
b. they import value added goods
c. they export few goods
d. both a and b
- What would encourage trade between two countries?
a. Different tax system
b. Frontier checks
c. National currencies
d. Reduced tariffs
- Terms of trade of a country show the ratio of
a. goods exported and imported
b. import duties
c. prices of exports and imports
d. none of the above
- An additional tariff would
a. increase the volume of trade
b. reduce the volume of trade
c. have no effect on volume of trade
d. both a and c
- Net exports =
a. Exports x Imports
b. Exports + Imports
c. Exports – Imports
d. Exports of services only
- Who issues the Special Drawing Rights (SDR) in the following?
a. World Bank
b. WTO
c. IMF
d. Asian Development Bank
- Which of the following are called Brettonwoods Twins?
a. IMF & World Bank
b. IMF & WTO
c. IBRD & WTO
d. GATT & WTO

Part B

3 x 6 = 18

Answer any **Three** questions

Each answer should not exceed 400 words or two pages

11. Differentiate between inter-regional and international trade.
12. Explain the theory of Absolute Advantage.
13. What is Gains from trade and how is it measured?
14. Explain the concept of Terms of Trade.
15. Describe the effect of Tariffs on international trade.
16. Explain the concept of Optimum tariff.
17. Depict the concept of balance of payment and what are its components.
18. Point out the instruments of export promotion.
19. What are the objectives of GATT ?
20. Narrate the origin and objectives of WTO.

Part C

2 x 11 = 22

Answer any **Two** questions

Each answer should not exceed 800 words or four pages

21. Illustrate the Theory of Comparative Advantage.
22. Elucidate the features, assumptions and limitations of Heckscher-Ohlin Theory of Trade.
23. Evaluate the phrase "Trade as an engine of economic growth".
24. Critically examine the doctrine of Reciprocal demand.
25. Explain the Free Trade policy in relation to economic growth with special reference to India.
26. What are the types of Tariffs and Quotas?
27. Discuss the recent changes in the composition, magnitude and direction of foreign trade in India.
28. Analyze the role and limitations of MNCs in India.
29. What are the objectives and functions of IMF?
30. Explain the origin and functions of World Bank.
