

**Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University) Coimbatore – 641043**

**Master's Degree Examination November 2018
Semester – III**

**Class : II PG
Major : Economics**

**Time : 3 hours
Max. Marks : 60**

17MECC14 International Economics

Part A

Choose the correct answer

10 X 1/2 =5

1. The terms of trade of developing countries have a secular tendency to
 - a. Improve
 - b. Deteriorate
 - c. First improve and then deteriorate
 - d. Remain the same
2. Trade In differentiated products refers to
 - a. Intra industry trade
 - b. Inter industry trade
 - c. Trade based on economies of scale
 - d. None of the above
3. The paradox that Growth can make a country worse off is termed as
 - a. Leontiff Paradox
 - b. Rybezinsky Theorem
 - c. Immiserising Growth
 - d. Triffin Dilemma
4. Tariffs are
 - a. Taxes Imposed on imports.
 - b. Taxes imposed on the consumption of domestic goods
 - c. Taxes imposed on the consumption of imported services.
 - d. Taxes imposed on the consumption of domestic services.
5. A key effect of devaluation is that it
 - a. Makes the domestic currency cheaper relative to other currencies.
 - b. Makes the domestic currency dearer relative to other currencies.
 - c. Makes the foreign currency cheaper relative to other currencies.
 - d. leaves the relative value unchanged.
6. Under a fixed exchange rate system, _____ are official changes in the value of a country's currency relative to other currencies.
 - a. devaluation
 - b. Depreciation and appreciation
 - c. revaluation
 - d. Both A and C.
7. How many members are in the ASEAN?
 - a. 18
 - b. 67
 - c. 10
 - d. 53
8. NAFTA is an example of
 - a. FTA
 - b. Economic union
 - c. Common market
 - d. Customs union
9. WTO presently consists of ____ members
 - a. 164
 - b. 165
 - c. 166
 - d. 167
10. The EXIM Policy removed all the quantitative restrictions
 - a. Imports
 - b. Exports
 - c. Both A and B
 - d. None of the above

Part B

5 X 4 = 20

Answer ALL Questions

Answer should not exceed 200 words or one page

11 a. What are the factors affecting the international trade?

Or

11 b. Write in brief the neo-classical theories of international trade

12 a. What are the benefits of free trade for developing countries?

Or

12 b. What are the causes for dumping?

13 a. What are the main components of the current account of the balance of payments?

Or

13 b. What are the impacts of devaluation?

14 a. What are the functions of SAARC?

Or

14 b. What are the dynamic effects of Customs Union

15 a. What are the functions of WTO?

Or

15 b. What are the instruments of export promotion?

Part C

5 X 7 = 35

Answer ALL Questions

Answer should not exceed 600 words or three pages

16 a. Critically examine Kravis and Linder theory of trade

Or

16 b. Examine Rybczynski theorem

17 a. Describe Stolper Samuelson Theorem

Or

17 b. Analyse the various methods of measurement of gains from trade

18 a. List out the merits and demerits of flexible exchange rates

Or

18 b Explain the various measures adopted to correct the balance of payment disequilibrium

19 a. Examine the causes for the emergence of trading blocs at the global level

Or

19 b. Analyse the functions and working of BRICS

20 a. Critically examine the Exim policy of India

Or

20 b. Is TRIPS and TRIMS favourable for India? if yes justify it