

5/H-16 (v) (Syllabus-2015)

2018

(October)

ECONOMICS

(Honours)

(International Economics)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

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

UNIT—I

1. Discuss the comparative advantage theory of international trade. What are its assumptions and criticisms? 8+7=15
2. Explain the Leontief paradox. How and to what extent can it be reconciled with the Heckscher-Ohlin theory of international trade? 8+7=15

UNIT—II

3. Define terms of trade. Discuss the various concepts of terms of trade. $3+12=15$
4. Explain the theory of immizerizing growth. What conditions are essential for producing the case of immizerizing growth? $8+7=15$

UNIT—III

5. Show with the help of diagram, the price, protective, consumption, revenue and redistribution effects of a tariff under partial equilibrium. $3+3+3+3+3=15$
6. Define quotas. What are the objectives of import quotas? For less developed countries, which is more suitable—tariffs or quotas? Explain with the help of suitable examples. $3+5+7=15$

UNIT—IV

7. Discuss the mechanism of the absorption approach to the balance of payments adjustment. What are its limitations? $10+5=15$
8. Critically examine the purchasing power theory of exchange rates. 15
