2024

(November–December)

ECONOMICS

(Honours)

(International Economics)

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

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

UNIT—I

1. What is a production possibility curve? With the help of production possibility curves and community indifference curves, determine trade equilibrium under constant cost conditions. 3+12=15

2. Explain the absolute cost advantage theory of International Trade. What are its limitations? 10+5=15

UNIT—II

3. With the help of a diagram, explain the gains from exchange and gains from specialization. 8+7=15

4. Critically examine the theory of immiserizing growth. 15

UNIT—III

5. Describe various types of tariffs. Explain the effects of tariff under partial equilibrium. 5+10=15

6. Distinguish between tariffs and quotas. Briefly discuss the non-tariff barriers to trade. 8+7=15

UNIT—IV

7. What do you understand by Balance of Payments? Explain the mechanism of the absorption approach to the Balance of Payments adjustment. 3+12=15

8. (a) Explain the spot and forward rates of exchange.

(b) Explain fixed and flexible exchange rate. 7+8=15

UNIT—V

9. Explain the functions of the International Monetary Fund. What are the benefits which have flowed to India as one of the members? 5+10=15

10. Discuss the role of ASEAN in the promotion of trade. 15

★ ★ ★