

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2022 ONLY)

22UEO204

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**  
**END-OF-SEMESTER EXAMINATIONS : MAY - 2023**  
**COURSE NAME: B.A.-ECONOMICS** **MAXIMUM MARKS: 50**  
**SEMESTER: II** **TIME : 3 HOURS**

**PART - III**  
**INTERNATIONAL ECONOMICS**

**SECTION - A** **(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**MULTIPLE CHOICE QUESTIONS.** **(K1)**

1. The Theory of Comparative Cost Advantage is given by \_\_\_\_\_.  
 a. David Ricardo    b. Adam Smith    c. F W Taylor    d. Ohlin and Heckscher
2. Terms of trade is a \_\_\_\_\_.  
 a. total of exports and imports    b. ratio between exports and imports  
 c. product of exports and imports    d. tax
3. Balance of Payment disequilibrium implies \_\_\_\_\_.  
 a. Receipts equal to Payments    b. Receipts not equal to Payments  
 c. Receipts equal to reserves    d. Exports equal to imports
4. The exchange rate in free market economy is determined by the equality of the demand and supply of \_\_\_\_\_.  
 a. Foreign capital    b. international goods  
 c. international reserves    d. foreign exchange
5. IMF's currency is \_\_\_\_\_.  
 a. Special Drawing Rights    b. Dollar  
 c. Pound Sterling    d. Euro

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)**

6. What do you mean by international trade?
7. Infer the meaning of Gains from Trade.
8. Define –Balance of Trade.
9. What is flexible exchange rate?
10. Interpret the term Special Drawing Right.

**SECTION – B** **(5 X 3 = 15 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K3**

11.a. Explain the importance of international trade in brief.

**(OR)**

- b. How does Leontif paradox invalidate the Heckscher-Ohlin theory of international trade? Explain.

**(CONTD.....2)**

12.a. Give a critical assessment on Gross barter Terms of Trade.  
**(OR)**  
 b. Trace out the causes for unfavourable terms of trade in developing countries.

13.a. Describe the various components of balance of payment accounts.  
**(OR)**  
 b. Explain any three causes of disequilibrium in Balance of Payments Accounts.

14.a Distinguish between spot and forward exchange rate.  
**(OR)**  
 b. Enumerate the various direct methods of exchange control.

15.a. Outline the major objectives of IMF.  
**(OR)**  
 b. Narrate the features of New International Economic Order.

**SECTION – C (5 X 5 = 25 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4 (Or) K5)**

16.a. Discuss the modern theory of international trade. To what extent it is superior to the theory of classical theory of trade?  
**(OR)**  
 b. “Differences between internal and international trade are of degrees and not of Kind”- Give reasons thereof.

17.a. Examine and analyse the factors which determine the Terms of trade.  
**(OR)**  
 b. Enumerate the factors which determine the gains from trade.

18. a. Evaluate the methods for correcting disequilibrium in Balance of Payments  
**(OR)**  
 b. Assess the trend in Balance of Payment of India since 1991.

19.a. Investigate the arguments for and against on a system of fixed exchange rate.  
**(OR)**  
 b. Outline the various indirect methods of exchange control.

20.a. Discuss the nature and uses of Special Drawing Rights(SDR) by the member countries of the IMF.  
**(OR)**  
 b. Point out the objectives and functions of World Bank.

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