(FOR THE CANDIDATES ADMITTED **25 UEO 204**

DURING THE ACADEMIC YEAR 2025-2026 ONLY) **REG.NO. :**

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS: MAY 2026

B.A.ECONOMICS **MAXIMUM MARKS: 75**

SEMESTER: II **TIME : 3 HOURS**

PART - III

INTERNATIONAL ECONOMICS

SECTION – A **(10 X 1 = 10 MARKS)**

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. Adam Smith developed the theory of international trade based on ________

    a) Absolute Difference in Cost   b) Comparative Difference in Cost

    c) Domestic terms of trade   d) Factor Proportion

2 . Who first formulated the concept of Income Terms of Trade?

    a) G.S.Dorrance   b) Taussing

    c) Jacob Viner   d) All the above

3. It the value of visible exports is greater than that of the value of visible imports, the balance of trade is ____________

    a) Unfavourable   b) Equal

    c) Favourable   d) Deficit

4. FEMA stands for __________

    a) Foreign Exchange Management Act

    b) Foreign Exports Management Act

    c) Foreign Exchange Maintenance Act

    d) Foreign Export Members Act

5. Which of the following is called World Bank?

    a) IMF   b) IBRD

    c) BRICS Bank   d) EXIM Bank

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

6. Indicate the features of International Trade.
7. Interpret the meaning of Terms of Trade.
8. Construct the meaning of Balance of Trade.
9. Define Exchange Depreciation.
10. Explain the essence of New International Economic Order.

SECTION – B **(5 X 5 = 25 MARKS)**

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

11. a) Describe the advantages of Internal Trade.

(OR)

    b) Examine the Ricardo’s Theory of Comparative Cost.

12. a) Trade as an Engine of Economic Growth - Interpret.

(OR)

b) Discuss the importance of Terms of Trade.

13. a) Assess the composition of Balance of Trade and Balance of Payments.

(OR)

b) Compute the Balance of Payment Situation since 1991.

14. a) List the Objectives of Exchange Control.

(OR)

b) Examine Fixed Versus Flexible Exchange Rate**.**

15. a) Assess the Functions of the IMF.

(OR)

b) Interpret Special Drawing Rights.

SECTION – C (5 X 8 = 40 MARKS)

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

16. a) Analyse the Differences and Similarities between Internal and International Trade.

(OR)

b) Appraise Heckscher Ohlin's Theory of International Trade.

17. a) Examine the factors affecting Terms of Trade.

(OR)

b) Experiment the Measurement of Gains from Trade.

18. a) Outline the causes for disequilibrium in Balance of Payments.

(OR)

b) Inspect measures to Correct disequilibrium in the Balance of Payments.

19. a) Appraise methods of Exchange Control.

(OR)

b) Determine the causes of fluctuations in Exchange Rate.

20. a) Discuss purpose and operations of World Bank.

(OR)

b) Evaluate New International Economic Order.

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