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443D (IE)

[16–HDGKACRM–M2]

MA 2nd Semester Exam., 2016

ECONOMICS

(Code : MEC/MAEC–08)

International Economics

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each in around *50* words) : 2×5=10

(a) Define inter-regional foreign trade.

(b) How did the mercantilists consider foreign trade?

(c) Why does trade in intermediate goods occur?

(d) Where would you find disguised export subsidy?

(e) State the different types of long-term capital transactions.

(f) What is Leontief paradox?

2. Answer any *three* from the following questions (each in around *150* words) : 4×3=12

(a) Why is international trade important? Discuss.

(b) Enumerate the views of the modern economists on trade as an engine of economic growth.

(c) Discuss any four limitations of foreign trade multiplier.

(d) What is tariff? Why are tariffs imposed? Discuss the different types of tariffs.

3. Answer any *three* from the following questions (each in around *250* words) : 6×3=18

(a) Discuss how the gains from trade between two countries, say, India and US, are measured.

(b) Discuss the effects of tariffs on production.

(c) Discuss the foreign trade repercussion effect on increase in exports.

(d) What is meant by commodity terms of trade? Discuss the limitation of the concept of commodity terms of trade.

4. Answer any *four* from the following questions (each in around *500* words) : 10×4=40

(a) Discuss the various gains from trade under constant cost conditions. Why is the comparative advantage theory of international trade criticized? Discuss. 6+4=10

(b) What is dumping? What are its different types? Discuss the benefits and effects of dumping. 10

(c) Write short notes on the following : 5×2=10

(i) Economies of scale

(ii) Implications of BOP disequilibrium

(d) Discuss the J-curve effect of currency depreciation. Why does, according to M. V. Posner, technological change promote trade among the advanced countries? Discuss. 5+5=10

(e) Compare between fixed and flexible exchange rates. Discuss the different arguments in favour of fixed and flexible exchange rates. 3+7=10

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