TDC Even Semester Exam., 2019

ECONOMICS

(Honours)

(4th Semester)

Course No. : ECOH–402

(International Economics)

Full Marks : 50
Pass Marks : 17

Time : 2 hours

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

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

UNIT—I

1. *(a)* Mention three features of international trade.   3

   (b) Critically discuss Adam Smith's theory of absolute cost advantage.   7

2. *(a)* Distinguish between community indifference curve and trade indifference curve.   3

   (b) What is an offer curve? How can the offer curves of two trading countries be derived?   2+5=7

(**2**)

UNIT—II

3. What is factor intensity reversal? What implications does it have for H-O theory and factor-price equalization theorem?   3+7=10

4. *(a)* On what grounds is H-O theory of international trade criticized?   5

   (b) "The Heckscher-Ohlin theory does not support but supplement the comparative costs theory." Discuss.   5

UNIT—III

5. What are tariffs? Analyze the effects of tariffs in a partial equilibrium system.   2+8=10

6. *(a)* What are the main types of import quotas?   5

   (b) Explain clearly the effects of import quotas for the importing country.   5

UNIT—IV

7. *(a)* Explain the structure of balance of payments accounts.   6

(3)

(b) Do you agree with the view that the balance of payments is always in balance? 4

8. What is devaluation? Discuss in brief the merits and demerits of devaluation. 2+4+4=10

UNIT—V

9. Critically discuss Prebisch-Singer Thesis. 10

10. Write short notes on any *two* of the following : 5×2=10

(a) Trade as an engine of growth

(b) Role of FDT in economic development

(c) Foreign aid versus trade

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