

**THIRD SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, NOVEMBER 2022**

(November 2021 Session for SDE/Private Students)

(CBCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A (Multiple Choice Questions)**

*Answer all questions.*

*Each bunch of five questions carries a weightage of 1.*

1. \_\_\_\_\_ is the assumption of reciprocal demand theory.
  - (a) Comparative return.
  - (b) Comparative costs.
  - (c) Comparative revenue.
  - (d) Comparative trade.
2. \_\_\_\_\_ can guide individuals and organizations to more profitable decision-making.
  - (a) Trade deficit.
  - (b) BOP deficit.
  - (c) Offer curve.
  - (d) Value of opportunity costs.
3. By studying H.O. trade model, we will get a good understanding of the meaning of \_\_\_\_\_.
  - (a) Partial equilibrium.
  - (b) General equilibrium.
  - (c) Equilibrium.
  - (d) All the three.
4. It is always true that if the foreign country's offer curve is \_\_\_\_\_ at the free trade equilibrium point, the Stolper-Samuelson tariff theorem holds unless there are no inferior goods in the home country's importable.
  - (a) Less elastic.
  - (b) Cross-elastic.
  - (c) Inelastic.
  - (d) Elastic.
5. Technological gap model was developed in \_\_\_\_\_.
  - (a) 1961.
  - (b) 1971.
  - (c) 1951.
  - (d) 1981.

6. \_\_\_\_\_ Theory encompasses explanations of trade that stress factor endowments, technological differences, and product differentiation.

- (a) Product cycle. (b) Availability.  
(c) Factor price. (d) Reciprocal.

7. \_\_\_\_\_ displays how changes in endowment affect the outputs of the goods when full employment is sustained.

- (a) Dutch Disease. (b) Singer theorem.  
(c) Myrdal theorem. (d) Rybczynski theorem.

8. \_\_\_\_\_ is apparent causal relationship between the increase in the economic development of a specific sector and a decline in other sectors :

- (a) Rybczynski theorem. (b) Leontief paradox.  
(c) Samuelson theorem. (d) Dutch Disease.

9. Tariffs are paid by domestic \_\_\_\_\_ and not the exporting country.

- (a) Government. (b) Producers.  
(c) Consumers. (d) None of these.

10. \_\_\_\_\_ stops exports or imports of a product or group of products to or from another country.

- (a) Subsidies. (b) Quota.  
(c) Standards. (d) Embargo.

11. A common external tariff effectively removes the possibility of \_\_\_\_\_.

- (a) Externality. (b) Cartel formation.  
(c) Arbitrage. (d) Dumping.

12. The framework of the theory of economic integration was laid out by \_\_\_\_\_.

- (a) Bertin Ohlin. (b) Jacob Viner.  
(c) Leontief. (d) Myrdal.

13. \_\_\_\_\_ is the total member of South Asian Free Trade Area.
- (a) 6. (b) 7.  
(c) 8. (d) 9.
14. ASEAN was established in \_\_\_\_\_.
- (a) 1967. (b) 1968.  
(c) 1969. (d) 1970.
15. The terms trade creation and trade diversion are closely associated with \_\_\_\_\_ School.
- (a) Oxford. (b) Chicago.  
(c) Classical. (d) Keynesian.

(15 × 1/5 = 3 weightage)

**Part B (Very Short Answer Type Questions)***Answer any five questions.**Each question carries a weightage of 1.*

16. Explain the importance of trade on development.
17. Explain the main types of terms of trade.
18. Explain Leontief Paradox.
19. Explain Vernon's Product cycle theory.
20. Define immiserising growth.
21. What is international Cartels ?
22. What do you mean by dumping ?
23. Write a note on SAFTA ?

(5 × 1 = 5 weightage)

**Part C (Short Answer Type Questions)***Answer any seven questions.**Each question carries a weightage of 2.*

24. How international trade act as engine of growth of a country ?
25. Briefly explain reciprocal demand theory.
26. Explain the relationship between transportation cost and international trade.
27. Write a note on Rybczynski theorem.
28. Explain Dutch Disease.

**Turn over**

29. What is a tariff? Explain the effects of tariff?
30. Write a note on exchange control.
31. Explain general and partial equilibrium analysis.
32. Explain the major E U Problems in the context of international trade.
33. Explain trade creating customs unions.

(7 × 2 = 14 weightage)

**Part D (Essay Type Questions)**

*Answer any two questions.*

*Each question carries a weightage of 4.*

34. Explain Prebisch-Singer Thesis.
35. Explain Samuelson theorem in international trade.
36. Explain WTO and its role in the present international trade.
37. Explain briefly the static and dynamic effects of customs union.

(2 × 4 = 8 weightage)