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UG/5th Sem/Eco(H)/T/19

2019

B.Sc. (Honours)

5th Semester Examination

ECONOMICS

Paper - C11T

[International Economics]

Full Marks : 60

Time : 3 Hours

*The figures in the margin indicate full marks.  
Candidates are required to give their answers  
in their own words as far as practicable.*

Answer any *ten* questions from the following.

10×2=20

1. (a) What is arbitrage ?
- (b) What is offer curve ?
- (c) What is factor abundance ?
- (d) What is the shape of PPF when there is constant cost of inputs ?

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- (e) What is absorption approach ?
- (f) What is fixed exchange rate ?
- (g) What are 'Community Indifference Curves' ?
- (h) Define the concept of 'Terms of Trade'.
- (i) Write down two arguments in favour of free trade policy.
- (j) What is meant by 'J-curve' phenomenon ?
- (k) What is meant by 'international liquidity' ?
- (l) What do you understand by the term 'margin of dumping' ?
- (m) How do you define 'Optimum Tariff' ?
- (n) Define optimum tariff for large and small countries.

**Group - B**

Answer any *four* questions                      4×5=20

- 2. (a) Write a short note on devaluation and its effects.
- (b) 'Balance of payment always balances'. — Explain.

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- (c) Which type of economic situation is known as 'Leontief Paradox' ? Examine different attempts to resolve this Leontief Paradox. 2+3
- (d) Differentiate the effect of tariff on small and large countries in a partial equilibrium framework.
- (e) Show that the existence of 'comparative cost advantage' is a sufficient basis of international trade.
- (f) What is Metzler Paradox ? Justify it as a possibility in accordance with trade policies of a nation. 2+3

**Group - C**

Answer any two questions : 2×10=20

3. (a) Explain and prove the Stolper-Samuelson model. What are the significance of Stolper-Samuelson theorem. 7+3
- (b) What is Marshall-Lerner (M-L) Condition ? State and prove M-L condition.
- (c) Examine the validity of the 'Factor Price Equalization' theorem-- (a) in the presence of

[ Turn Over ]

( 4 )

factor intensity reversal and (b) in the absence of factor intensity reversal. 5+5

- (d) What are 'gains from trade' ? Show that 'gains from trade' generally consists of two components — (a) gains due to specialization and (b) gains due to exchange. 3+7
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