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Your Roll No.....

Sr. No. of Question Paper : 7993

Unique Paper code : 12481601

Name of the Paper : International Economics

Name of the Course : **B. A. (Hons.) Business
Economics, 2024 (LOCF)**

Semester : VI

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Illustrate your answer with suitable diagram, wherever required.
3. Attempt any Five question.

1. (a) Discuss briefly various TERMS of Trade. What are the reasons for secular deterioration of terms of trade for developing countries.

P.T.O.

- (b) How does the production possibility frontier look under constant opportunity costs? What is the relationship between the opportunity cost of a commodity and the relative price of that commodity? How can they be visualized graphically? (7,8)
2. (a) How does the Heckscher-Ohlin model explain the direction and nature of international trade based on countries' factor endowments, and what role do these endowments play in determining a country's comparative advantage in the global market?
- (b) Explain any one: (i) Leontief Paradox (ii) Factor Intensity Reversal. (8, 7)
3. (a) What is the difference between a nominal tariff and an effective tariff? What is the usefulness of the concept of effective protection? How is the rate of effective protection measured?
- (b) What does the term "protection cost" or "deadweight loss" associated with a tariff signify, and what methods are employed to quantify it? (7, 8)
4. (a) Reflect on the policy implications of your analysis for countries considering joining or forming a customs union. What factors should these countries

consider to ensure that the benefits of trade creation outweigh the costs associated with trade diversion?

(b) Discuss briefly the various non-tariff barrier.

(7, 8)

5. (a) What is meant by economies of scale? How can they be the basis for international trade? What is meant by the new international economies of scale?

(b) What is meant by import substitution and by export-oriented policies of development? What are the advantages and disadvantages of each as a method of industrialization for developing nations? (7, 8)

6. (a) How trade is regarded as an engine of growth?

(b) Discuss the basic feature of IMF and World Bank and its role in transforming the world economy.

(7, 8)

7. Write Short notes on any three:

(i) Comparative Cost Theory

(ii) WTO Agreement on Agriculture

(iii) Optimum Tariff

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(iv) Intra-industry trade

(v) Technological Gap Model and trade (5 * 3=15)