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(B) VI/ECO (xii) (B)

2015

(6th Semester)

ECONOMICS

TWELFTH (B) PAPER

(International Trade)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

UNIT—I

- 1. Explain the theory of absolute advantage of international trade as propounded by Adam Smith. 10

Or

Describe the main features of Heckscher-Ohlin theory of international trade.

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UNIT—II

2. Explain the various concepts of terms of trade. 10

Or

What do you mean by 'gains from trade'? Explain the various methods of measuring the gains from trade. 3+7=10

UNIT—III

3. What do you mean by quota? Explain the various types of quota. 3+7=10

Or

Show with the help of partial equilibrium diagram the price, protective, consumption, revenue and redistribution effects of a tariff. 10

UNIT—IV

4. What is meant by disequilibrium in the balance of payments? Briefly explain the various causes of disequilibrium in the balance of payments. 3+7=10

Or

Define devaluation. Explain its role in reducing deficit in the balance of payments. 3+7=10

UNIT—V

5. Discuss the major causes of India's adverse balance of payments in recent years. 10

Or

Discuss in brief the need for and rationale of trade reforms in India. ***

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UNIT—V

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Discuss in brief the need for and rationale of trade reforms in India. ***

2015

(6th Semester)

ECONOMICS

TWELFTH (B) PAPER

(International Trade)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

Answer all questions

SECTION - A

(Marks : 10)

Tick (✓) the correct answer in the brackets provided : 1×10=10

1. The theory of comparative advantage in international trade was propounded by

(a) Kindleberger ()

(b) Adam Smith ()

(c) David Ricardo ()

(d) J. S. Mill ()

2. According to Ohlin, the comparative costs differences arise because of

- (a) labour cost differences ()
- (b) factor endowment differences ()
- (c) exchange rate differences ()
- (d) None of the above ()

3. The income terms of trade is

- (a) the net barter terms of trade of a country multiplied by its export volume ()
- (b) the ratio between the quantities of a country's imports and exports ()
- (c) the ratio between the price of a country's export goods and import goods ()
- (d) None of the above ()

4. Which factor does not influence the terms of trade?

- (a) Devaluation ()
- (b) Overpopulation ()
- (c) Trade policy ()
- (d) Immigration ()

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5. The tariff that maximises a country's welfare is called

- (a) optimum tariff ()
- (b) revenue tariff ()
- (c) ad valorem tariff ()
- (d) retaliatory tariff ()

6. On the basis of origin and destination of the goods, tariff may be classified into

- (a) specific duties, ad valorem duties and compound duties ()
- (b) single-column tariff, double-column tariff and triple-column tariff ()
- (c) export duties, import duties and transit duties ()
- (d) All of the above ()

7. In balance of payments account, all goods exported and imported are recorded in

- (a) capital accounts ()
- (b) merchandise account ()
- (c) current account ()
- (d) None of the above ()

8. If a country has a fundamental deficit in the balance of payments, it should resort to

- (a) exchange control ()
- (b) devaluation of its currency ()
- (c) inflation ()
- (d) foreign loans ()

9. NRI deposits are

- (a) major source of capital inflows into India ()
- (b) not a source of capital inflows into India ()
- (c) negligible source of capital inflows into India ()
- (d) None of the above ()

10. India's top import item is

- (a) coal ()
- (b) gold ()
- (c) fertilizer ()
- (d) crude oil ()

Write short

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SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Distinction between International Trade and Interregional Trade

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2. Doctrine of reciprocal demand

(Marks : 12)

Write short notes on the following:

I. Distinction between International Trade and International Finance

II. Reciprocal Demand

III. Balance of Payments

IV. Balance of Trade

V. Balance of Payments

VI. Balance of Payments

VII. Balance of Payments

VIII. Balance of Payments

IX. Balance of Payments

X. Balance of Payments

10. India's top...

11. India's top...

12. India's top...

13. India's top...

14. India's top...

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3. Distinction between Tariffs and Quotas

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4. Components of balance of trade

5. Co

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5. Composition of India's export

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