



B.A. (Semester – V) Examination, October/November 2018

ECONOMICS (Paper – VII)

International Trade and Finance – I

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- i) **All questions are compulsory.** However internal choice is available.
  - ii) Answer sub-questions in question I and question II in **not more than 100 words each.**
  - iii) Answer question III to question VI in **not more than 400 words each.**
  - iv) Figures to the **right** indicate **maximum** marks to the question/sub-questions.
  - v) Draw diagrams wherever necessary.

I. Answer **any four** of the following :

(4×4=16)

- i) Give two points of distinction between internal and international trade.
- ii) Briefly explain the concept of gross barter terms of trade.
- iii) State the theory of reciprocal demand.
- iv) Write a short note on Posner's technological gap model.
- v) What is meant by Leontief paradox ?
- vi) Explain in brief how differentiated products are responsible for international trade.

II. Answer **any four** of the following :

(4×4=16)

- i) Give two points to show the superiority of tariffs over quotas.
- ii) Write a note on Counter trade.
- iii) Write a brief note on international cartels.
- iv) State and explain infant industry arguments for protection.
- v) Explain any two disadvantages of globalization.
- vi) Write the importance of India's foreign trade. Give any two points.





- III. A) Critically evaluate opportunity cost approach to the theory of comparative cost advantage. 12
- OR
- B) Define terms of trade. Explain the factors influencing terms of trade with reference to India. 12
- IV. A) Explain the factor endowment theory of International trade. 12
- OR
- B) Explain the Stopler-Samuelson theorem of International trade. 12
- V. A) What is free trade policy ? Explain any six merits of free trade policy. 12
- OR
- B) Explain with the help of a neat diagram partial equilibrium effects of tariffs. 12
- VI. A) Highlight the growth of international trade in post 1991 period. 12
- OR
- B) What is globalisation ? Explain any four advantages and disadvantages of globalization. 12