

**CARMEL COLLEGE OF ARTS, SCIENCE AND COMMERCE FOR WOMEN  
NUVEM-GOA**

**B.COM. CBCS Semester VI Examination, July 2021,**

**Subject: Economics**

**Course Code/Name: CEC 104 / International Economics**

**Date: 12/07/21**

**Duration: 2 hrs**

**Max. Marks: 30**

**Total No. of Pages: 01**

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**1. Answer any FIVE of the following.**

**(5 x 2=10)**

1. State and explain the measures of factor abundance as stated in the H-O theory. What are the implications of this theory?
2. What are your views about the high labor standards and sanitary & phytosanitary measures of trade imposed by developed countries?
3. What are the reasons for growing intra-industry trade among nations?
4. Give two examples each of international transactions that are entries in the current and capital account of BOP account respectively.
5. Should India go for full capital account convertibility? State your views on this.
6. Explain the effect of depreciation of its currency on a country's BOP deficit.
7. Why do host nations prefer greater FDI as compared to FPI?
8. What is the difference between NAFTA and USMCA?

**2. Answer any FOUR of the following.**

**(4 x 5 = 20)**

1. Present a numerical table to illustrate and explain comparative advantage and gains from trade based on comparative advantage.
2. What is the difference between flexible and managed floating exchange rate systems? What is the role of Central Bank under managed flexibility?
3. Explain the main features of modern foreign exchange markets. Outline the role of arbitrage in the foreign exchange market.
4. Highlight the importance of M&As as entry route of MNCs. Give examples of a few recent M&As of and by Indian companies.
5. Outline the TRIMs agreements of WTO. Do you feel GATS is useful for developing countries?
6. Discuss the factors affecting exchange rates. What are the trends in the recent rupee-dollar exchange rate?

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