

Total No. of Printed Pages:02

B.A. Semester - VI (Under CBCS Ordinance)

EXAMINATION MAY 2023

Economics - International Economics - II

[Time:2 Hours]

[Max. Marks:80]

**Instructions:** 1) All questions are compulsory.

2) Answer questions 1 and 2 in not more than 100 words each.

3) Answer questions 3 to 6 in not more than 400 word each.

4) Figures to the right indicate maximum marks assigned to the questions.

**Q1** Answer **any four** of the following:

(4x4=16)

- i) What is meant by an equilibrium in the balance of payments?
- ii) Distinguish between the current account and capital account of balance of payments.
- iii) Explain the following terms. a) spot exchange rate. b) currency devaluation.
- iv) Indicate the various sources of demand for foreign exchange.
- v) Bring out any two demerits of the purchasing power parity theory of exchange rates.
- vi) Elucidate any one function of foreign exchange market.

**Q2** Answer **any four** of the following:

(4x4=16)

- i) Highlight the role of international capital flows with the help of any two points.
- ii) Explain any two types of migration of human capital.
- iii) State any four objective of the European Union.
- iv) Outline the features of 'The Economic Union as a type of regional economic integration.
- v) State the conditions governing the IBRD's loan operation.
- vi) What is International Monetary Fund? State any two of its objectives.

**Q3** A) Explain the various types of disequilibrium in the balance of payments.

12

OR

B) Discuss the various measures for correcting a deficit type of disequilibrium in the balance of payments.

12

**Q4** A) Define the term foreign exchange rate. Examine the factors that influence the rate of exchange between two currencies.

12

OR

B) Define the terms fixed exchange rate and flexible exchange rate. Explain any five demerits of fixed exchange rate system.

12

ECO110 / UECD110

Q5 A) What is meant by international capital flows? How are they classified? 12

OR

B) How would you describe a multinational corporation? What are its merits? 12

Q6 A) Describe with a diagram the following static effects of economic integration with reference to a customs union under partial equilibrium approach: 12

i) Price effect; ii) Production effect; iii) Consumption effect, iv) Revenue effect

OR

B) Write notes on the following WTO Agreements: 12

i) Agreement on Agriculture. (AOA)

ii) Agreement on Trade Related Aspects of Intellectual Property Rights. (TRIPS)