



BANKURA UNIVERSITY

Semester... V.....

Examination 2020-21

Subject Name ...Economics

Course ID

5	1	6	1	2
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Course Code ...UG/ECO/502/C-12.....

Group

Course Title ...International Economics

Full Marks ...40

Time allowed...2 Hours

The figure in the right hand side margin indicate marks

The questions are of equal value

1. Answer any five of the following questions: 5x2=10

- Distinguish between *internal trade* and *international trade*.
- Distinguish between *free trade* and *protection*.
- What is a *production possibility curve*?
- Mention the names of two proponents of *classical theory of trade*.
- State the classical assumption of the *labour theory of value*.
- What is meant by *factor intensity reversal*?
- Define *quota*.
- What do you mean by *Balance of Payments*?

2. Answer any four of the following questions: 4 x 5 = 20

- Distinguish between *absolute and comparative cost advantage* with suitable examples.
Explain *gains from trade* under *Ricardian theory of international trade*.
- What is an *offer curve*? Explain how the *terms of trade* is determined by the offer curves of two trading countries.
- State *Heckscher-Ohlin theory of international trade*. Examine its empirical validity with the help of *Leontief Paradox* and give any two explanations of *Leontief paradox*.
- Explain the effects of *tariff* on international trade of a country with the help of *partial equilibrium analysis*.
- Explain the *Infant Industry argument* for protection.
- Distinguish between *fixed and flexible exchange rates*. Show the mechanism of adjustment under flexible exchange rates with the help of suitable diagram.

3. Answer any one of the following questions: 1 x 10 = 10

- Discuss the arguments *for and against free trade and protection*.
 - Analyse the *elasticity approach to devaluation* and state the *Marshall-Lerner condition* for successful devaluation.
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