B.Sc. Semester-V Examination, 2022-23
ECONOMICS [Honours]

Course ID : 51612 **Course Code : SH/ECO/502/C-12**

Course Title : International Economics

Time : 2 Hours Full Marks : 40

The figures in the right-hand margin indicate marks.

Candidates are required to give their answers in their own words as far as practicable.

UNIT-I

1. Answer any **five** of the following questions:

   2×5=10

   a) Distinguish between free trade and protection.

   b) What is a production possibility curve?

   c) Define quota.

   d) Distinguish between internal trade and international trade.

   e) Mention the names of two proponents of classical theory of trade.

   f) State the classical assumption of the labour theory of value.

   g) What do you mean by Balance of Payments?

   h) Define opportunity cost.

[Turn over]

UNIT-II

2. Answer any **four** of the following questions:

   5×4=20

   a) Distinguish between absolute and comparative cost advantage with suitable examples.

   b) What is an offer curve? Explain how the terms of trade is determined by the offer curves of two trading countries.

   c) Explain the Infant Industry argument for protection.

   d) Explain the effects of tariff on international trade of a country with the help of partial equilibrium analysis.

   e) Briefly discuss the Rybczynski Theorem.

   f) Briefly discuss the arguments in favour of free trade.

UNIT-III

3. Answer any **one** of the following questions:

   10×1=10

   a) Analyse the elasticity approach to devaluation and state the Marshall-Learner condition for successful devalution.

   b) Define flexible exchange rate system. Analyse the merits and demerits of this system.

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