

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – November 2009

EC 5505/EC 5501 - INTERNATIONAL ECONOMICS

Date & Time: 05/11/2009 / 9:00 - 12:00 Dept. No.

Max. : 100 Marks

PART - A

Answer any FIVE Questions in about 75 words each

(5 X 4 = 20 Marks)

1. Why do nations enter into Trade?
2. Write a note on Ricardo's theory of comparative cost advantage.
3. Explain the concept of net barter terms of trade.
4. What is meant by a fixed exchange rate?
5. Explain the concept of Interest arbitrage.
6. Write a note on SDR's.
7. Point out the functions of IBRD.

PART - B

Answer any FOUR Questions in about 300 words each

(4 X 10 = 40 Marks)

8. Explain the features of International Trade.
9. What are the factors affecting the terms of trade? Explain the gains of international trade.
10. Critically examine the Mint-Parity theory of exchange.
11. Explain briefly the inflationary impact of flexible exchange rates.
12. Discuss the essential elements of WTO agreement.
13. Analyse the merits and demerits of flexible exchange rates.
14. Distinguish between TRIPS and TRIMS.

PART - C

Answer any TWO Questions in about 900 words each

(2 X 20 = 40 Marks)

15. Critically examine the empirical validity of the Hecksher – Ohlin theory of trade.
16. Bring out clearly the impact of economic growth, changes in technology and tariffs upon the terms of trade of a country.
17. Discuss the current and capital account convertibility of rupee in India.
18. "Quality improvements are essential to boost exports" – Discuss the validity of the statement in the recent Indian export policy.

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