



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

**FIFTH SEMESTER – NOVEMBER 2011**

**EC 5505/EC 5501 - INTERNATIONAL ECONOMICS**

Date : 02-11-2011  
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

**PART- A**

Answer any FIVE of the following in about 75 words each (5 x 4 =20)

1. Define Reciprocal Demand.
2. Explain the Production possibility curve.
3. What do you mean by absolute difference in cost?
4. Explain the utility Terms of trade.
5. What is a flexible exchange rate?
6. Discuss the functions of IBRD.
7. Explain the uses of SDR.

**PART- B**

Answer any FOUR of the following in about 300 words each (4 x 10 =40)

8. Distinguish between Interregional and International trade.
9. “Difference in comparative costs accounts for the existence of foreign trade and determine its composition and magnitude”- Discuss.
10. Explain the factors that determine the terms of trade.
11. How is the rate of exchange determined under gold standard?
12. Give arguments for and against a system of flexible exchange rate.
13. Bring out the recent Export and Import policies of the government of India.
14. Explain the functions of WTO.

**PART- C**

Answer any TWO of the following in about 900 words each (2 x 20 =40)

15. State and Explain the Heckscher-Ohlin theory of international trade with criticism.
16. Examine the various types of terms of trade.
17. Critically examine the purchasing power parity theory of exchange rate.
18. Explain the working of International Monetary Fund.

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