LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2014

EC 5505/EC 5501 - INTERNATIONAL ECONOMICS

Date : 01/11/2014   Dept. No. [   ]   Max. : 100 Marks
Time : 09:00-12:00

PART – A

Answer any **FIVE** questions in about 75 words each: (5 x 4 = 20 marks)

1. Bring out the differences between inter-regional and international trade.

2. List out the basic assumptions of comparative cost advantage theory.

3. Write a note on 'Leontief Paradox'.

4. Give an account of 'Utility' terms of trade.

5. Distinguish between 'Potential' and 'Actual' gains from trade?

6. How equilibrium exchange rate is determined under foreign exchange market?

7. State the important functions of IMF.

PART – B

Answer any **FOUR** questions in about 300 words each: (4 x 10 = 40 marks)

8. Analyse the role of foreign trade in economic development.

9. Briefly explain the 'Absolute Cost Advantage' doctrine.

10. Enumerate the factors that determine terms of trade.

11. Give arguments in favour of 'Protection Policy'.

12. Describe the 'Purchasing Power Parity' theory of exchange rate determination.

13. Narrate the broad principles of India's foreign trade policy 2009 -14.

14. Explain the term 'Current Account Convertibility' and state the pre-requisites for its successful convertibility.

PART – C

Answer any **TWO** questions in about 900 words each: (2 x 20 = 40 marks)

15. Substantiate the superiority of H-O theory over the classical theories of international trade.

16. Discuss the 'Static' and 'Dynamic' gains from trade.

17. Give arguments in favour and against 'Fixed Exchange Rate' system.

18. Examine the impact of WTO on Indian economy.

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