PART A

Answer any FIVE questions in about 75 words each: (5X4=20 marks)

1. Define international trade and state the reasons for trade.
2. Briefly explain Adam Smith's theory of absolute advantage.
3. What is meant by single and double factorial terms of trade?
4. State the benefits of international trade.
5. Write a short note on exchange rate management in India.
6. What is meant by capital account and current account convertibility?
7. State the objectives of IMF.

PART B

Answer any FOUR questions in about 250 words each: (4X10=40 marks)

8. Examine the difference between internal trade and international trade.
9. Explain Ricardo's Theory of Comparative Advantage.
10. Explain the factors influencing terms of trade.
11. Write a short note on optimum tariff.
12. Explain the merits of flexible exchange rate.
13. Discuss the composition of India's foreign trade.
14. Explain the role and functions of IMF.

PART C

Answer any TWO questions in about 900 words each: (2X20=40 marks)

15. Explain Heckscher Ohlin's theory of international trade with suitable illustrations.
16. State and explain purchasing power parity theory of determination of exchange rate.
17. Give arguments for and against free trade.
18. Discuss the objectives and functions of W.T.O and IBRD.

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