



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION - ECONOMICS

FIFTH SEMESTER – NOVEMBER 2015

EC 5505/EC 5501 - INTERNATIONAL ECONOMICS

Date : 05/11/2015

Dept. No.

Max. : 100 Marks

Time : 09:00-12:00

PART-A

Answer any FIVE questions in not exceeding 75 words each:

(5×4=20 marks)

1. What are the reasons for international trade?
2. What do you mean by Absolute differences in costs?
3. What do you mean by optimum tariff?
4. What are the factors that influence exchange rates?
5. What is meant by globalization?
6. State the case for free trade.
7. List out functions of the World Bank.

PART-B

Answer any FOUR questions in about 300 words each:

(4×10=40 marks)

8. Discuss the importance of international trade for a country.
9. List out the assumptions of Heckscher-Ohlin theory.
10. Explain the factors affecting terms of trade?
11. Give arguments in support of flexible exchange rates.
12. Explain the composition and direction of India's international trade.
13. Examine the classical theory of international trade from the view point of LDCs.
14. What is meant by Net Barter Terms of Trade? Explain its limitations.

PART-C

Answer any TWO questions in not exceeding 900 words:

(2×20=40 marks)

15. "International trade is but a special case of interlocal or interregional trade".
Do you agree with this statement or not? Give reasons.
16. "Differences in comparative costs account for the existence of foreign trade"- Discuss.
- 17 Critically examine the Purchasing Power Parity theory of exchange rate determination.
18. Discuss the WTO agreement from the point of view of India.

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