

5/H-16 (v) (Syllabus-2015)

2 0 1 7

(October)

ECONOMICS

(Honours)

(**International Economics**)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking at least
one from each Unit

UNIT—I

1. (a) What are offer curves? Explain the determination of trade with the help of offer curves. 3+6=9
- (b) Write short notes on the following : 3+3=6
 - (i) Production possibility curves
 - (ii) Community indifference curves
2. (a) State the Heckscher-Ohlin theory of international trade. 3

- (b) What are the assumptions of the Heckscher-Ohlin theory of international trade? 3
- (c) Define factor abundance in price terms and physical terms. 4
- (d) Explain factor abundance in terms of factor prices. 5

UNIT—II

- 3. (a) Distinguish between net barter terms of trade and gross barter terms of trade. 5
- (b) What are the factors affecting terms of trade? 4
- (c) Discuss briefly the theory of reciprocal demand. 6
- 4. (a) Define gains from trade. 3
- (b) Distinguish between potential and actual gains from international trade. 4
- (c) How do we measure the gains from international trade? 8

UNIT—III

- 5. (a) Distinguish between tariffs and quotas. 5
- (b) Discuss the theory of optimum tariff. 10

- 6. (a) What are the different types of import quotas? 6
- (b) Explain the effects of import quotas under partial equilibrium analysis. 9

UNIT—IV

- 7. Explain the workings and limitations of the foreign trade multiplier. 10+5=15
- 8. Write short notes on the functions of (a) IMF and (b) World Bank. 7+8=15
