

E 1736

(Pages : 2)

Reg. No.....

Name.....

**B.A. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2018**

**Fourth Semester**

B.A. Corporate Economics

**INTERNATIONAL ECONOMICS—II**

Time : Three Hours

Maximum Marks : 80

**Part A (Definition Type Questions)**

*Answer all the questions in one sentence each.  
Each question carries 1 mark.*

1. Free Trade.
2. Opportunity Cost.
3. BoP.
4. Exchange Rate.
5. Depreciation.
6. IMF.
7. Net Barter Terms of Trade.
8. Floating Exchange Rate.
9. Futures contract.
10. Quota.

(10 × 1 = 10)

**Part B**

*Answer any eight of the following questions in a paragraph each.  
(Not exceeding 100 words).  
Each question carries 2 marks*

11. What is Terms of Trade ?
12. What do you mean by capital movement ?
13. What is Balance of Trade ?
14. What is arbitrage ?
15. Marshall-Lerner Condition.
16. What do you mean by Invisible Account ?

**Turn over**

17. What is FII ?
18. Explain Gold Standard.
19. Explain Exchange controls.
20. What do you mean by Import Substitution ?
21. Explain Quota.
22. Mint Parity Theory.

(8 × 2 = 16)

### Part C (Short Essays)

*Answer any six of the following questions in one and a half pages each.  
(Not exceeding 150 words).  
Each question carries 4 marks.*

23. Explain the advantages and disadvantages of fixed exchange rate system.
24. Write a note on ADB.
25. Explain Purchasing Power Parity Theory.
26. Distinguish between Tariff and Non-tariff barriers to trade.
27. Discuss the merits and demerits of Flexible Exchange Rate System.
28. How does devaluation help correct BoP disequilibrium?
29. Distinguish between real and effective rate of exchange.
30. Write a note on Hedging.
31. Discuss the organisation and functions of World Bank.

(6 × 4 = 24)

### Part D (Long Essays)

*Answer any two of the following questions.  
(Not exceeding four pages each)  
Each question carries 15 marks*

32. How does trade act as an 'Engine of Growth' ?
33. Explain the structure of Balance of Payments. Discuss the measures to correct disequilibrium in BoP.
34. Discuss the role of IMF emphasising its functions.
35. Do you think that the world is moving towards protectionism ? What are the advantages and disadvantages of protection ?

(2 × 15 = 30)