

**2022**

**Economics**

**[HONOURS]**

**(CBCS)**

**(B.Sc. Fifth Semester End Examination-2022)**

**PAPER-CC11**

**[International Economics]**

***Full Marks: 60***

***Time: 03 Hrs***

*The figures in the right hand margin indicate marks  
Candidates are required to give their answers in their own words as  
far as practicable*

*Illustrate the answers wherever necessary*

**Group-A**

**1. Answer any ten questions of the following: 10x2= 20**

- a) What is auterkey?
- b) What do you mean by arbitrage?
- c) Define absolute advantage.
- d) Define the concept terms of trade.
- e) What is oppurtunity cost?
- f) What are the basis of international trade?
- g) What do you mean by protection?
- h) What is advalorem tariff?
- i) What is dead weight loss due to tariff?
- j) What is optimum tariff?

(2)

- k) How do you define 'exchange rate' between currencies?
- l) Write down two arguments in favour of free trade policy?
- m) Distinguish between 'unilateral quota' and 'bilateral quote'?
- n) Define the concept of 'devaluation'?
- o) Differentiate between nominal & real exchange rate.

**Group-B**

2. Answer any four questions of the following: **4x5 = 20**

- a) Explain factor price equalisation theorem.
- b) "Balance of payment" always balances Explain.
- c) Discuss Metzlen Paradox in brief.
- d) Define a production Possibility curve (PPC). What would be the shapes of such PPC under IRS and CRS respectively.
- e) Write a short note on 'effects of exchange rate on domestic prices and TOT'.
- f) What do you mean by 'tarriff war'? How does it impact in loss of welfare? Explain.
- g) Define trade triangle and signify the implication of all three sides of trade triangle.

**Group -C**

3. Answer any two questions: **2x10 = 20**

- a) Decompose gains from trade. **10**
- b) Explain Heckscher-ohlin model of trade.

(3)

- c) State and explain the arguments in favour of (a) Stolper-Samuelson theorem and (b) Rybczynsky theorem.
  - d) What is an offer curve? How do we derive offer curves? How equilibrium of international trade is determined with offer curves?
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