UNIVERSITY OF NORTH BENGAL
B.A./B.Sc. Honours 6th Semester Examination, 2022

CC13-ECONOMICS

INTERNATIONAL ECONOMICS

Time Allotted: 2 Hours   Full Marks: 60

The figures in the margin indicate full marks.
All symbols are of usual significance.

GROUP-A

1.   Answer any *four* questions: 3×4 = 12

   (a) What is the difference between Balance of Trade and Balance of Payments?

   (b) What do you mean by 'Invisible trade'? Give example.

   (c) Mention any three merits of free trade.

   (d) What is comparative cost advantage in international trade?

   (e) What do you mean by factor intensity reversal?

   (f) What is 'SDR'?

GROUP-B

Answer any *four* questions   6×4 = 24

2.   "Balance of Payments always Balances" — Explain.   6

3.   Discuss arguments in favour of protection.   6

4.   In what sense Heckscher-Ohlin theory is better than Ricardian theory of comparative cost advantage?   6

5.   Explain Leontief Paradox.   6

6. (a) What is W.T.O.?   2+4
   (b) Why it was formed?

7.   Briefly state some of the important functions of International Monetary Fund.   6

GROUP-C

Answer any *two* questions   12×2 = 24

8. (a) Distinguish between Current Account and Capital Account of Balance of Payments.   4+4+4

   (b) What do you mean by Autonomous and accommodating transactions in BoP?

   (c) Explain the concept of equilibrium in Balance of Payments.

9. (a) What are the major limitations of Absolute Cost Advantage theory of Adam Smith?   6+6

   (b) Show that Ricardian theory of comparative cost advantage is an improvement over Absolute Cost advantage theory.

10. Critically explain Stolper-Samuelson theory of international trade.   12

11. Suppose a country have resorted to devaluation of its domestic currency to correct Balance of Payments imbalance. In this context—   6+6

    (a) Derive Marshall-Lerner condition.

    (b) Explain J-curve effect with suitable diagram.

——×——