

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

**FIFTH SEMESTER – APRIL 2010**

**EC 5505/5501 - INTERNATIONAL ECONOMICS**

Date & Time: 27/04/2010 / 1:00 - 4:00 Dept. No.

Max. : 100 Marks

**PART – A**

**Answer any FIVE questions in about 75 words each**

**(5 x 4 = 20 marks)**

1. Define International trade.
2. What is meant by terms of Trade?
3. Define rate of foreign exchange.
4. What is purchasing power parity theory?
5. Distinguish between current and capital account.
6. What is SDR?
7. Define globalization.

**PART – B**

**Answer any FOUR questions in about 300 words each**

**(4 x 10 = 40 marks)**

8. What are the reasons for differences in factor endowments?
9. Explain Adam Smith's theory of international trade.
10. What are the gains from international trade?
11. How is the rate of exchange determined?
12. Distinguish between single and double factor terms of trade.
13. Evaluate the working of the International Monetary Fund.
14. Comment on the composition and direction of India's international trade.

**PART – C**

**Answer any TWO questions in about 900 words each**

**(2 x 20 = 40 marks)**

15. What is the difference between domestic and international trade? Is there interdependence between them? Give reasons for your answer.
16. Critically evaluate Heckscher – Ohlin's theorem.
17. What do you understand by fixed and flexible exchange rates? Which do you consider more suitable in the present day conditions? Give reasons for your choice.
18. What has been the impact of globalization on the pattern of India's foreign trade?

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