



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2014

EC 1810 - INTERNATIONAL ECONOMICS

Date : 09/04/2014

Dept. No.

Max. : 100 Marks

Time : 09:00-12:00

PART- A

(5 X 4 = 20 marks)

Answer any FIVE questions in 75 words each. Each question carries FOUR marks.

1. Define the concept of balance of payments.
2. What are offer curves?
3. Define commodity terms of trade.
4. How is intra-industry trade measured?
5. Explain the concept of effective protection with a suitable example.
6. Differentiate between currency forwards and currency futures.
7. What is a Customs Union?

PART- B

(4 X 10 = 40 marks)

Answer any FOUR questions in 300 words each. Each question carries TEN marks.

8. Draw a figure showing the partial equilibrium effects of an import tariff.
9. Examine the role of the IMF in the global economy.
10. State the features of the gold standard.
11. Explain product cycle theory with the help of a suitable diagram.
12. Show how the Metzler paradox is an exception to the Stolper-Samuelson theorem.
13. Examine strategic trade policy using Boeing and Airbus industries as suitable examples.
14. Differentiate between a Currency Board Arrangement and Dollarisation.

PART- C

(2 X 20 = 40 marks)

Answer any TWO questions in 1200 words each. Each question carries TWENTY marks.

15. Critically examine Heckscher-Ohlin theory of international trade.
16. Explain Jacob Viner's theory of the customs union to show how a customs union contributes to trade creation and trade diversion.
17. Discuss the salient features of the European Union.
18. With the help of a diagram explain the IS-LM-BP model with flexible exchange rates and perfect capital mobility.
