



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2016

EC 5505/EC 5501 – INTERNATIONAL ECONOMICS

Date: 03-11-2016

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

(5 x 4 = 20 Marks)

Answer any FIVE of the following, each answer should not exceed 75 words.

1. Define Terms of Trade.
2. What are the reasons for International Trade?
3. Distinguish between Net and Gross Barter Terms of Trade.
4. Define Foreign Exchange Rate.
5. What do you mean by Flexible Exchange Rate?
6. Write short notes on Globalization.
7. Differentiate between current account and capital account.

PART B

(4 x 10 = 40 Marks)

Answer any FOUR of the following, each answer should not exceed 300 words.

8. Explain the fundamental differences between International Trade and Domestic Trade.
9. Discuss the Classical theory of David Ricardo.
10. Analyse the factors which affect the terms of trade.
11. Distinguish between Fixed Exchange Rate and Flexible Exchange Rate.
12. Analyse the role of IBRD.
13. Explain the main features of the World Trade Organisation.
14. Discuss the importance of Free Trade and Protection.

PART C

(2 x 20 = 40 Marks)

Answer any TWO of the following, each answer should not exceed 900 words.

15. Discuss the Heckscher-Ohlin Theory of International Trade.
16. Describe briefly the various types of Terms of Trade.
17. Explain the objectives and functions of the IMF.
18. Critically examine the Purchasing Power Parity Theory of exchange rates.

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