

Code No. : 30637 E Sub. Code : CMEC 42

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2024.

Fourth Semester

Economics — Core

INTERNATIONAL ECONOMICS – II

(For those who joined in July 2021 – 2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

- The exchange rate is kept the same in all parts of market by
 - Exchange arbitrage
 - Hedging
 - Interest arbitrage
 - Speculation

- Under a freely flexible exchange rate system, a deficit in a nation's balance of payments is automatically corrected by
 - A depreciation of its currency
 - An appreciation of its currency
 - Domestic inflation
 - A rise in the national income
- _____ is one in which a monopolist firm sells its commodity at a very low price or at a loss in the foreign market in order to drive out some competitors.
 - Sporadic dumping
 - Predatory dumping
 - Persistent dumping
 - All the above
- Under the _____ system, a given quantity of a good is permitted to enter duty free or upon payment of relatively low duty.
 - Import Licensing
 - Mixing Quota
 - Tariff Quota
 - Unilateral Quota

Page 2 Code No. : 30637 E

- Find out the correct statement
 - I.M.F determines the exchange rates
 - I.M.F determines the value of gold in international market
 - I.M.F exercise surveillance on economic and financial policies of the countries
 - I.M.F is a subsidiary of the world bank
- Which of the following institutions is not a constituent of world bank group?
 - IBRD
 - IDA
 - IFC
 - ABD
- GATT's first round held in
 - Tokyo
 - Uruguay
 - Torquay
 - Geneva
- India signed the Dunkel proposal in
 - 1947
 - 1991
 - 1994
 - 1995
- Which one of the following is not amongst India's major export items?
 - Textiles and garments
 - Gems and jewellery
 - Oil and petroleum products
 - Basmati rice

Page 3 Code No. : 30637 E

- One of the problems of India's foreign trade is
 - Payment of imports in rupees
 - Increasing quantity of exports
 - Unfavourable terms of trade
 - None of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

- Explain the managed floating exchange rate.

Or

 - Bring out the key factors that affect foreign exchange rate.
- Differentiate tariff from quota.

Or

 - What is dumping? Explain the objectives of dumping.
- Describe the structure of International monetary fund.

Or

 - Explain the objectives of World Bank.

Page 4 Code No. : 30637 E
[P.T.O.]

14. (a) Explain the main features of the WTO. How does it differ from the GATT?

Or

- (b) Discuss the provisions of GATT.

15. (a) Mention the features of foreign trade in India.

Or

- (b) Analyse the composition of foreign trade in India.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) What is meant by fixed exchange rate? Give your arguments for and against fixed exchange rate.

Or

- (b) Do you favour flexible exchange rates? Give reasons in support of your answer.

17. (a) Explain the effects of tariff under partial and general equilibrium analysis.

Or

- (b) Elucidate the types of Import Quotas.

Page 5 Code No. : 30637 E

18. (a) Discuss the merits and short comings of special drawing rights.

Or

- (b) Examine the functions and activities of the World Bank.

19. (a) Describe the main WTO agreements.

Or

- (b) Analyse the agreement on TRIPS.

20. (a) Evaluate the latest trends in the growth and structure of India's foreign trade.

Or

- (b) Discuss the various measures undertaken by the Government for promoting India's foreign trade.

Page 6 Code No. : 30637 E