



12. The terms of the trade of the developing countries are generally unfavourable because of \_\_\_\_\_.
- A) They export primary goods  
B) They export few goods  
C) They import value added goods  
D) They export primary goods and export few goods
13. Terms of trade of a country show \_\_\_\_\_.
- A) Ratio of goods exported and imported  
B) Ratio of the prices of exports and imports  
C) Ratio of import duties  
D) Both A and B
14. What happens to the growth of a country when the term of trade in that region goes up?
- A) Remains constant  
B) Decreases  
C) Increases  
D) Decreases
15. In a free trade world where no restrictions exist, international trade will lead to \_\_\_\_\_.
- A) Reduced real living standard  
B) Increased efficiency  
C) Decreased efficiency  
D) Reduced real GDP
16. Which of the following are the most integrated forms of the Regional Trading Blocs?
- A) Customs Union  
B) Economic Union  
C) Free Trade Area  
D) Multilateral Trading Area

**Q.1B. Explain these terms. (07)**

1. Trade
2. Economies of scale
3. Technological Gap
4. Offer Curve
5. Economic Integration
6. Regional Trading Blocs
7. Terms of Trade

**Q.2 Answer the following.**

- A. Explain the main features of the opportunity cost concept along with one example of it. (04)
- B. Explain the main features of Leontief Paradox. (04)
- C. Explain four main features of the concept of immersizing growth. (04)

**OR**

- D. Explain the main features of the offer curves. (04)

**Q.3 Answer the following.**

- A. Examine the different phases of the product cycle model. (05)
- B. Explain about the concept of the "partial equilibrium". (05)
- C. Explain the characteristics of Hecksher- Ohlin theory of trade. (05)

**OR**

- D. What are the different types of tariffs and quotas? Describe each one of them. (05)

**Q.4A** Explain the characteristics of factor price equalization theorem. (06)

**Q.4B** Explain importance of Trade in the economic growth of a country. (06)

**Q.4C** Explain the various arguments in the favour of the protective trade policy. (06)

**OR**

**Q.4C** Explain the theory of comparative cost advantage. (06)