

PARUL UNIVERSITY
FACULTY OF ARTS
B.A Winter 2019 – 20 Examination

Semester: 5**Subject Code: 15101304****Subject Name: International Economics****Date: 26/11/2019****Time: 2:00pm to 4:30pm****Total Marks: 60****Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**(08)****A. Multiple choice type questions. (Each of 0.5 mark)**

1. What is the trade that takes place within as well as outside the country called as?
 - a) Inter-regional trade
 - b) International trade
 - c) Domestic trade
 - d) National trade
2. What type of goods are sold under the absolute cost advantage theory?
 - a) Non- identical
 - b) Heterogeneous
 - c) Identical
 - d) Differentiated
3. Opportunity cost is the cost of the next best alternative that has been -----
- by an individual.
 - a) Used up
 - b) Consumed
 - c) Produced
 - d) Sacrificed
4. What type of goods are sold in the concept of comparative cost theory which is one of the theories of the trade activity?
 - a) Homogeneous
 - b) Same goods
 - c) Varied goods
 - d) None of the above
5. How many countries are assumed to trade in the Heckscher- Ohlin trade theorem?
 - a) Five
 - b) Three
 - c) Two
 - d) Four
6. The differentiated goods are also called as ----- goods.
 - a) Identical goods
 - b) Non- Identical goods
 - c) Abnormal goods
 - d) Normal goods
7. The time interval that occurs between the acquiring of a technology and using it once the producers have purchased it is called as -----.
 - a) Selling Gap
 - b) Purchasing Gap
 - c) Technology Gap
 - d) Cost Gap
8. The factor price equalization theorem discusses about ----- of the factors of production.
 - a) Prices
 - b) Income
 - c) Investment
 - d) Cost
9. The advantages received from doing trade are called as the ----- from trade.
 - a) Losses
 - b) Gains
 - c) profits
 - d) Revenue

- B.** Explain four main features of the concept of immiserizing growth. (04)
C. Describe the characteristics related to the concept of Economic Integration. (04)

OR

- C.** Describe the features of the optimum currency area. (04)

Q.3 Answer the following.

- A.** Why is it necessary to study about international trade? Explain. (05)
B. Heckscher- Ohlin theory of trade which was introduced by these two people consists of various features. Elaborate about the characteristics of this theory. (05)
C. Explain the different phases of the product cycle model. (05)

OR

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

Q.4 Answer the following.

- A.** Describe the features of the "trade" based on the "economies of scale (06)
B. There are various "arguments" which have been put forward by the "economists" in favour of the protective trade policy. Explain. (06)
C. Explain the salient features of the absolute cost advantage theory as one of the types of the economic theory. (06)

OR

- C.** Describe the various ways in which the gains from trade can be measured. (06)