

Name:

Enrolment No:



Examination : End Sem Exam May 2018

Programme & Branch : MA (Energy Economics)

Course Code : Econ 7010

Course Title : International Economics

Semester : II

Duration : 3 hours

Max. Marks : 100

Instructions :

- a) There are three sections. All sections are Compulsory.
- b) Use hypothetical examples and graphs wherever necessary.

Section I : Short Questions : (7×6)

- a. Terms of trade
- b. Difference between GATT and WTO
- c. Difference between Portfolio investment and FDI
- d. Current a/c
- e. Mercantilism
- f. Institutionalized borrowings

Section II: Analytical Questions ; Attempt any two (14×2)

1. What is the basis of trade in comparative advantage as per David Ricardo and Heckscher-Ohlin theory. Analyze through the graph the increasing opportunity cost case and show the benefits of trade to both the parties engaged in trade.
2. 'The tariff and non-tariff barriers cause the dead-weight loss to the imposing countries . However, they are justified in case of beneficial externalities.' Critically analyze this statement and graphically incorporate the infant industry case in trade model.
3. 'As per the comparative advantage theory, there should be no or insignificant trade among the developed countries . However, it is observed that maximum trade is taking place among the developed countries.' Analyze this phenomenon in the light of new trade theory in the imperfectly competitive market (monopolistic competition).
4. Assume yourself as a manager of a MNC. You wish to invest in any of the countries of European Continent. Which factors would you consider before making your decision about the location for investment ? Analyze

Sections III: Long Questions: (30×1)

5. Critically analyze the static and dynamic effects of regional trading blocs. Which of the following routes would you suggest for a developing country like India to open up its economy to become globalized?
 - a. Unilateral Opening
 - b. Regional Route
 - c. Multilateral Route
 - d. Analyze with reasons.

