

QP CODE

C2130

Enrollment Number:

Name:

M.A. DEGREE EXAMINATIONS, AUGUST 2025
Second Semester
M.A. Economics
M23EC08DC – International Economics
(2024 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. An economy that is completely self-sufficient without foreign trade?
2. The law of comparative advantage was propounded by which economist?
3. Name the curve that shows a country's willingness to export and import at different relative prices.
4. Write one example of a non-tariff barrier.
5. Give an example of a form of economic integration
6. State Metzler Paradox
7. What is Dutch disease?
8. What is Infant Industry Argument?
9. What is an international cartel?
10. What is meant by an import quota?
11. Name one example of a voluntary export restraint.
12. What is meant by Exchange control?
13. Which international organization regulates anti-dumping measures?
14. What is meant by exchange rate overshooting?
15. Which approach to balance of payments adjustment is linked to the Marshall–Lerner condition?

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. Differentiate between a closed economy and an open economy.
17. State the central idea of Adam Smith's theory of absolute advantage.
18. How does Ricardo's comparative advantage theory differ from absolute advantage?

19. What is the opportunity cost of producing a good?
20. Define “terms of trade” with an example.
21. Explain the Leontief paradox
22. Distinguish between free trade and protectionism.
23. Define customs union and give an example.
24. Differentiate between import tariff and countervailing tariff.
25. What is meant by hedging in the foreign exchange market?

(2X5=10)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

26. Explain the conditions for general equilibrium in a closed economy.
27. Explain Ricardo’s law of comparative advantage with a simple example.
28. Illustrate the production possibility curve (PPC) and its significance in trade theory.
29. Explain the concept of technical standards as a non-tariff barrier.
30. Discuss different types of dumping.
31. Explain the role of speculation, hedging, and arbitrage in the foreign exchange market.
32. What is the J-curve effect?
33. Briefly explain the absorption approach to correcting balance of payments disequilibrium.

(4X5=20)

Section D

Answer any three of the following questions in two pages each. Each question carries 10 marks.

34. Critically examine Adam Smith’s theory of absolute advantage and its relevance in the present global economy.
35. Critically evaluate the arguments for and against free trade and protectionism.
36. Critically examine the effects of non-tariff barriers
37. Evaluate the infant industry argument for protection in the context of developing economies.
38. Analyse the merits and demerits of fixed versus flexible exchange rate systems.
39. Discuss the different approaches to correcting balance of payments disequilibrium

(10X3=30)