

MASTER OF BUSINESS ADMINISTRATION
(MBAEV)

Term-End Examination

June, 2013

MCNE-063 : INTERNATIONAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Answer any five of the following. All questions carry equal marks.

1. What are the gains from Trade ? Compare 20
between comparative advantage and absolute
advantage in trade among countries.

2. Why do countries impose barriers on international 20
trade ? Briefly outline the types of non-tariff
barriers imposed.

3. Make a case for selective industrial policies for an 20
economy. Highlight the important features of
Indian industrial policy.

4. Why do countries resort to formation of regional 20
blocks ? List some of the important regional trade
arrangements prevalent today.

5. (a) Distinguish between fixed exchange rate and flexible exchange rate. What is a managed float ? 10
- (b) Distinguish between nominal effective exchange rate and real effective exchange rate. 10
6. An economy with fixed exchange rate cannot pursue an independent monetary policy. Comment. 20
7. What is meant by terms of trade ? Why do developing countries experience decreasing terms of trade according to Prebisch - Singer hypothesis ? 20
8. Write short notes on : 20
- (a) Sources of comparative advantage
- (b) Balance of payments always balances
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