

MASTER OF PHILOSOPHY (ECONOMICS)
Term-End Examination
June 2014

RECE-009 INTERNATIONAL ECONOMICS

Time: 3 hours

Maximum Marks: 100

Note: Attempt Questions from each section as directed

SECTION A

Attempt any two questions from this section.
(Answer in about 500 words each)

2X20=40

- Q1. Explain the necessary and sufficient conditions for 'No Trade' to take place between two countries. Examine as to how different classical and neo classical theories imply relaxation of the assumptions of 'No Trade'?
- Q2. Critically evaluate the Heckscher-Ohlin model of international trade. Discuss about some empirical tests of this model. Is H-O model of trade still valid for policy purposes?
- Q3. Write notes on any *two* of the following.
- (a) Possible favourable and unfavourable effects of international trade on environment.
 - (b) New protectionism
 - (c) Social responsibilities of developed nations and MNCs.
- Q4. Discuss the role of WTO in evolving a liberal multilateral trading system. Examine the drawbacks in its functioning.

SECTION B

Attempt any five questions from this section.
(Attempt in about 300 words each)

5X12=60

- Q5. Why do many of us say that Brettonwoods System has collapsed? Analyse its implications.
- Q6. Write notes on any *two* of the following.
- (a) SAARC
 - (b) ASEAN
 - (c) BRICS

Q7. Differentiate between any *two* of the following:

- (i) Tariff barriers and Non Tariff barriers
- (ii) Most Favoured Nations (MFN) Clause and National Treatment (NT) Clause
- (iii) Traditional Exports and Non Traditional exports

Q8. Write notes on any *two* of the following;

- (i) Intra Industry Trade
- (ii) Technology Gap Model of International Trade
- (iii) Product Cycle Theory of International Trade

Q9. Explain genesis of Euro and its impact on the world economy.

Q10. Give a critical account of the current Foreign Trade Policy (EXIM) of India.

Q11. Discuss the nexus between trade, trade policy and development in the context of the developing countries.

Q12. What are the objectives of foreign exchange management? Explain the methods of foreign exchange management.