RESEARCH DEGREE PROGRAMME IN ECONOMICS

Term-End Examination
December, 2016

RECE-009 : INTERNATIONAL ECONOMICS

Time : 3 hours   *Maximum Marks : 100*

Note : Answer the questions from each section as directed.

SECTION - A

Answer **any two** questions from this section. **2x20=40**

1. Discuss the Heckscher-Ohlin model of international trade. In this context explain the Rybezynski Theorem.

2. Discuss in detail the various arguments put forward for adoption of measures for trade protection.

3. Critically examine the monetary approach to the balance of payments.

4. Discuss the impact of international capital mobility on fiscal policy. What would be its impact on expansionary monetary policy ?

SECTION - B

Answer **any five** questions from this section. **5x12=60**

5. Discuss the Marshall-Lesner conditions.

6. Critically examine the nature of strategic trade theory.

7. Explain how countries benefit from free trade when domestic markets are perfectly competitive.

8. Explain the effects of an import quota when there is :
   (a) Perfect competition in the domestic market
   (b) Monopoly in the domestic market

9. Critically examine the relative merits and demerits of floating exchange rate regime.

10. Critically evaluate the role of the World Bank in developing countries.

11. What do you understand by the terms of trade ? Distinguish between :
    (a) Single factorial and double factorial terms of trade
    (b) Income and employment corrected terms of trade

12. Briefly discuss the welfare effects of Regional Trade Agreements both in case of (a) trade diversion and (b) trade creation.

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