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School of Liberal Education

Master of Arts in Economics
Semester End Examination - Nov 2023

Duration : 180 Minutes
Max Marks : 100

Sem III - ECO6021 - International Trade and Policy*General Instructions*

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Identify the Ricardian theory of Comparative Cost. K1 (2)
- 2) . “The factor-intensity reversal is statistically not significant”. Examine K2 (4)
- 3) “Free trade is superior to no trade”. Compare both K2 (6)
- 4) What is the role of Foreign Aid in economic Development of any country? Do you think that country can become self-sustain with the help of foreign aid? Identify with examples. K3 (9)
- 5) Apply the Prebisch-Singer thesis related to international trade. K3 (9)
- 6) Determine the difference between the effects of a tariff versus a quota in international trade. K5 (10)
- 7) Evaluate the effects of levying an export tariff by a capital abundant country when the offer curve of the partner country (labour abundant) is inelastic after a certain threshold. Distinduish K4 (12)
- 8) Explain the concept of infant industry. K5 (15)
- 9) Determine the positive aspects and drawbacks of globalisation. K5 (15)
- 10) Develop the appropriate use of monetary and fiscal policy in the following Situation; i) Unemployment – Deficit case ii) Inflation – Surplus case K6 (18)