[This question paper contains 2 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3540 **I**

Unique Paper Code : 2924001012

Name of the Paper : International Economics

Name of the Course : **B.A. (H) Business Economics (NEP), 2024**

Semester : V

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **Any Five** questions.
3. **All** questions carry equal marks.

1. In what way is Ricardo's law of comparative advantage superior to Smith's theory of absolute advantage? How do gains from trade arise with comparative advantage? Explain using an example.

2. Explain what is ad valorem tariff? What are the partial equilibrium effects of a tariff? How is consumer surplus affected by import tariff?

P.T.O.

3. What does factor- price equalization theorem postulate? What is its relationship to the international mobility of factors of production? Also explain what is meant by Leontief paradox and the possible explanations of the paradox.

4. How can international trade take place according to technological gap model? What does this model postulate? What are the various stages in a product life cycle?

5 What is meant by trade diversion? What static welfare effects will a trade-diverting customs union have on member nations and on the rest of the world?

6. What is meant by WTO and what are the salient features of WTO under agreement on Agriculture?

7. Write short note on **any 3** of the following :–

   (i) Mercantilists view of trade

   (ii) Factor Intensity and Factor Abundance

   (iii) Dumping and its types

   (iv) Technical and Administrative Non-Tariff Barriers

   (v) European Union