SL No of QP : 13414

Unique Paper Code : **2924000012**

Name of the Paper	:	International Economics (Generic Elective)
Name of the Course	:	B. A. (Hons.) Business Economics (NEP 2024)
Semester	:	V
Duration	:	3 hours
Maximum Marks	:	90 Marks

Instructions to the candidates

1. Attempt any **five** questions out of the given seven questions.
2. All questions carry equal marks.
3. Illustrate your answer with a suitable diagram, wherever required.

1. What are the main causes of BoP disequilibrium? Discuss the various measures used to correct BoP disequilibrium. Evaluate their effectiveness. (18)

2. Analyze the differences in the Balance of Payments structure and trends of India, the United States, and China. What do these differences reveal about their respective external sector dynamics? (18)

3. Explain the statement with the help of a diagram that "when a country is small, a tariff it imposes cannot lower the foreign price of the good it imports". (18)

4. Define Foreign Direct Investment (FDI) and evaluate the current global and national trends in FDI inflows. How does FDI contribute to the overall economic growth and development of a nation? (18)

1. Describe the Product Life Cycle Theory and the New Trade Theory. How do these theories help in understanding the changing nature of world trade? (18)

2. (i) Explain the concept of J-curve with the help of short-run and long-run trade elasticities.
   (ii) What are the functions of the foreign exchange market? (9+9)

3. Write a short note on any **three** of the following.

(i) Fixed Exchange Rate and Flexible Exchange Rate
(ii) Mercantilism
(iii) Effective rate of protection
(iv) Portfolio balance approach to exchange rate
(v) Law of one Price

(3*6=18)