Serial No. of Question Paper :9886
Unique Paper Code : 2923100008
Name of the Paper : International Economics
Name of the Course : B.A. (H) Business Economics
Semester : V
Duration : 3 Hours
Maximum Marks : 90

Instruction to candidates:

1. Write your Roll No, on the top, immediately on receipt of this question paper.
2. Attempt **any five** questions.
3. Each question carries 18 marks each.
4. The sub parts of a question must be done together.

Q1. In what ways does the concept of absolute cost advantage undermine mercantilist beliefs about maintaining trade surpluses and accumulating precious metals as measures of national prosperity? Explain with the help of numerical examples. **(18)**

Q2. How goods mobility across nations is a substitute for the factor mobility? Illustrate by using diagrams how factor prices under the Heckscher–Ohlin framework is affected by international trade. **(18)**

Q3. What is intra-industry trade? Discuss the role of Economies of Scale and Imperfect Competition in shaping modern patterns of international trade. How do increasing returns to scale lead to intra-industry trade? **(18)**

Q4. Explain the statement with the help of the diagram " An import tariff raises the price in Home while lowering the price in Foreign. The volume traded thus declines". **(18)**

Q5. (a) What is the theory of second best? Explain the dynamic effects of the custom union.
(b) Provide a brief discussion on the European Union and the European Free Trade Association, explaining their objectives and roles in regional integration. **(9+9 = 18)**

Q6. How does the World Trade Organization (WTO) differ from the General Agreement on Tariffs and Trade (GATT) in terms of structure and functions? How did GATT evolve into the WTO? **(18)**

Q7. Write short notes on (any three):
(a) SAARC
(b) Agreement on Agriculture
(c) Product cycle model
(d) Labour Theory of Value
(e) Non tariff barriers

(6 X 3 =18)