

**2018**  
**ECONOMICS**  
**ECO: 3.1**  
**INTERNATIONAL ECONOMICS**  
**Full Marks: 80**  
**Time: 3 Hours**

*The figures in the margin indicate full marks for the questions*

**1. Answer the following questions.**

**2x4=8**

- a. Integration: what and why?
- b. What were the immediate causes for Britain's exit from EURO?
- c. What is floating exchange rate mechanism?
- d. What is gold standard?

**2. Answer the following questions.**

**5x4=20**

- a. What were the agreements on agriculture between WTO and Agriculture.
- b. What are the special provisions made for LDC countries and Why?
- c. Outline the economics of International Monetary system.
- d. What are the static gains from trade?

**3. Answer any two (2) of the following questions.**

**10x2=20**

- a. Analyse the impact of capital-saving technical progress upon trade.
- b. Explain the different exchange rate mechanisms.
- c. Explain the dynamics of BOP adjustments.
- d. Discuss the imitation gap model.

**4. Answer the following questions.**

**16x2=32**

- a. What are the factors that govern the elasticity of demand for the Cartels? Narrate the importance of each factor. How is the optimal price calculated? (2 + 6+ 8)

**OR**

- b. State and explain Rybczynski theorem.
- c. Discuss the effects of import quotas on price, production, consumption, government revenue and redistribution under partial equilibrium.

**OR**

- d. Explain how economic growth may be immiserizing for a small country in presence of tariff protection.

\*\*\*\*\*