2017
ECONOMICS
PAPER : EOC 3.1
INTERNATIONAL ECONOMICS

FULL MARKS:80   Time :3 hours

{ The figures in the margin indicate full marks for the question.}

1. Answer the following questions.   2x4=8
   a. What is Export Tax?
   b. What are Cartels?
   c. What is a customs union?
   d. What is a managed flexibility exchange rate mechanism?

2. Answer the following questions.   5x4=20
   a. Write a note on SEZ.
   b. What is a optimum currency area?
   c. Explain in short the fixed but adjustable exchange rate mechanism.
   d. Discuss the main issues related to Britain's Exit from the European Union.

3. Answer the following questions.(Any two)   10x2=20
   a. Discuss the Imitation gap theory.
   b. Explain the importance of Export subsidy in context with Make in India concept.
   c. Explain Rebczynski theorem with its assumptions.
   d. Explain immiserising growth put forwarded by Jagdish Bhagwat.

4. Answer the following questions.   16x2=32
   a. Explain the theory of Heckscher-Ohlin trade theory with its assumptions. Is it an improvement over the Ricardian theory of International trade?   12+4=16

                          OR

   b. Explain the Stopler-Samuelson theorem of international trade. Explain that it is an extension of Heckscher-Ohlin trade theory.
                                                      13+3=16

   c. What is optimum tariff? Explain the optimum tariff rate formula for a country for determining the improvements in terms of trade which is consistent for maximization of welfare for a country.   2+14=16

                          OR

   d. Discuss the various effects of tariff under partial equilibrium analysis for a small country case.

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