

Total No. of printed pages = 3

63/2 (SEM-3) ECO 3.1

2022

(Held in 2023)

ECONOMICS

(Theory Paper)

Paper Code : ECO 3.1

(International Economics)

Full Marks – 80

Pass Marks – 32

Time – Three hours

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

1. Answer the following questions (within 50 words each) : 2×4=8

- (a) State the main idea of 'Availability Approach' to international trade.
- (b) Under what condition(s) tariff likely to benefit the scarce factor and hurt the abundant factor.
- (c) What are import duties ?
- (d) What does factor price line represent ?

[Turn over

2. Answer the following questions (within 150 words each) : $5 \times 4 = 20$

- (a) Explain the basic conditions of relative factor abundance in terms of physical and price criterion in H-O model.
- (b) Give arguments in favour of economic protection.
- (c) What is dumping ? State the conditions under which dumping can be effective. $2+3=5$
- (d) Why India opted out of RCEP ?

3. Attempt any *two* of the following questions : $10 \times 2 = 20$

- (a) Explain how innovating country finally ends up as an importing country of the same product or differentiated product.
- (b) Explain the effects of tariffs in a small country under general equilibrium.
- (c) Explain the impact of capital-saving technical progress on capital-labour ratio, factor and commodity prices.
- (d) Explain the impact of WTO on Indian agriculture.

4. Answer the following questions : $16 \times 2 = 32$

- (a) (i) Critically explain Rybczynski theory of International Trade. 16

Or

- (ii) What is an international cartel ? State the conditions under which international cartels are likely to be successful ? Critically explain determination of price and output policy under international cartels. $2+4+10=16$

- (b) (i) Explain the different effects of a tariff under partial equilibrium analysis. 16

Or

- (ii) Critically explain how continuous process of technological change can give rise to International Trade.