

(i) Printed Pages: 2

Roll No.

(ii) Questions : 9

Sub. Code :

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Exam. Code :

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Bachelor of Commerce 6th Semester (Hons.)

1059

ECONOMICS : INTERNATIONAL ECONOMICS

Paper—BCH-608

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— (1) Section A consists of *six* short answer type questions.
Attempt any *four* questions from this section.
Each question carries **5** marks.

(2). Attempt *two* questions each from Section B and C
carrying **15** marks each.

SECTION—A

1. Write brief answers :

- (i) Discuss the concept of opportunity cost.
- (ii) Distinguish between balance of trade and balance of payments.
- (iii) Explain the rationale of the protection policy of trade.
- (iv) Distinguish between net and gross terms of trade.
- (v) Discuss the purchasing power parity theory.
- (vi) Discuss the autonomous and accommodating items of balance of payments.

SECTION—B

2. Critically examine Ricardo's comparative advantage theory of trade.
3. Discuss in detail the Heckscher-Ohlin theory of foreign trade.
4. Define terms of trade. Explain the factors which influence the terms of trade.
5. Critically examine the controversy of free trade against protection.

SECTION—C

6. State and explain in detail the various components of the balance of payments.
7. What are the causes of adverse balance of payments ? How it can be corrected ?
8. What is exchange rate ? How the rate of exchange is determined ?
9. Explain balance of payments theory of exchange rate.