

(i) Printed Pages : 2

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(ii) Questions : 9

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**Bachelor of Commerce 6<sup>th</sup> Semester (Hons.)**

**1048**

**ECONOMICS : International Economics**

**Paper-BCH 608**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**Note :—**Attempt **four** short answer type questions carrying **5** marks each from Section A and **two** essay type questions each from Section B and C carrying **15** marks each.

**SECTION—A**

1. Write brief answers of any **FOUR** :—

- (i) Advantages of international trade.
- (ii) Opportunity Cost.
- (iii) Distinguish between Balance of trade and Balance of payment.
- (iv) Flexible exchange rate.
- (v) Purchasing power parity theory.
- (vi) Multiple exchange rates.

**SECTION—B**

2. Discuss the Absolute Advantage theory of international trade.
3. Critically examine modern theory of international trade

4. Explain the advantages and disadvantages of Free Trade Policy.
5. Write brief note on :—
  - (a) Tariff Barrier
  - (b) Quotas to Trade.

### SECTION—C

6. Explain the main components of balance of payments.
7. What is exchange rate ? What factors determine it ?
8. Give arguments in favour of and against fixed exchange rate.
9. Critically examine balance of payments theory of exchange rate.