

(i) Printed Pages : 2

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(ii) Questions : 14

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Exam. Code :

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Bachelor of Commerce 6th Semester (Hons.)
(2053)

ECONOMICS : INTERNATIONAL ECONOMICS

Paper : BCH-608

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— This question paper consists of three parts. Attempt **four** questions from Part-A, each answer carries **5** marks and attempt **two** questions each from the other Parts, each answer carries **15** marks.

PART—A

1. Adam Smith's absolute advantage trade theory
2. Components of capital account
3. Secular deterioration hypothesis
4. PPP theory of foreign exchange rate
5. Different kinds of terms of trade
6. Merits and demerits of tariff barriers

PART—B

7. Explain the Ricardian theory of foreign trade.

8. Briefly explain Heckscher Ohlin theory of trade.
9. What is the rationale of protection policy in a developing nation ?
10. "Free trade is better than protection", give your arguments.

PART—C

11. Explain different components of current account; what is the impact of deficit in current account on capital account ?
12. Explain the determination of foreign exchange rate and also explain the factors that determine foreign exchange rate.
13. Fixed vs flexible exchange rate.
14. With a special reference to a developing country, what are the causes of deficit in balance of payments and also suggest measures to reduce deficit.