

(i) Printed Pages : 2

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(ii) Questions : 14

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

(2054)

**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 question carries **5** marks and attempt **TWO** questions each from Part B and Part C, each question carries 15 marks.

**PART—A**

1. Gross barter Terms of Trade.
2. Quotas to Trade.
3. Commercial Policy.
4. Autonomous items in Balance of Payments.
5. Exchange Rate.
6. Balance of Trade. 5×4=20

**PART—B**

7. Explain the comparative cost advantage theory of International Trade. 15

8. Explain Heckscher-Ohlin theory of International Trade. 15
9. Explain the rationale of protectionist policy in less developed countries. 15
10. Give arguments for or against free trade from the view point of developing countries. 15

### PART—C

11. What is meant by adverse Balance of Payments ? Explain methods to correct unfavourable Balance of Payments. 15
12. What do you mean by flexible exchange rate ? How the flexible exchange rate is determined ? 15
13. Discuss in detail the purchasing power parity theory of rate of exchange. 15
14. What do you mean by Balance of Payments ? Explain the main components of Balance of Payments. 15