

(i) Printed Pages: 2

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Bachelor of Commerce 6th Semester (Hons.)
(2042)

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 will carry 5 marks, and attempt **TWO** questions each from the other Parts, each answer will carry 15 marks.

PART—A

1. Explain Gunnar Myrdal, Rahul Prebish and Hans Singer hypothesis on terms of trade ?
2. Justify free trade in the event of adverse terms of trade ?
3. Explain the reasons for capital outflow.
4. Explain PPP; how it is useful for international economic analysis ?
5. Compare classical theory of international trade and modern theory of international trade.
6. What are the implications of CAD (Current Account Deficit) ?

PART—B

7. Critically explain Adam Smith's theory of foreign trade ?
8. Prove "labour abundant nations import capital intensive goods and capital abundant nations import labour intensive goods".
9. What are the merits and demerits of free trade ?
10. What are the causes of adverse terms of trade ? Also suggest measures for improvement.

PART—C

11. Explain different components of the hypothetical balance of payments account ?
12. What are the merits and demerits of fixed and flexible exchange rate ?
13. What are the factors that determine foreign exchange rate ? Suggest measures to increase foreign exchange rate.
14. What are the reasons for deficit in balance of payments account ? Suggest measures to reduce deficit.