

2071
Bachelor of Commerce (Hons)
Sixth Semester
BCH-608: Economics: International Economics

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section–A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

- I. Attempt any four of the following:-
- a) What is absolute cost advantage theory?
 - b) What is adverse terms of trade.
 - c) What is infant industry argument of protection?
 - d) What meant by capital flow in economy.
 - e) Discuss components of balance of payments on current account.
 - f) What is appreciation of a currency? (4x5)

Section - B

- II. Discuss Ricardian theory of trade. (15)
- III. What are causes of a country having adverse terms of trade? (15)
- IV. Discuss the rationale of having protectionist trade policy. (15)
- V. Evaluate various types of tariffs adopted to restrict trade. (15)

Section - C

- VI. Discuss measures to correct disequilibrium in balance of payment. (15)
- VII. Why some countries has huge capital flows while others very less? (15)
- VIII. Advantages of having flexible exchange rate system. (15)
- IX. Discuss the relevance of PPP theory. (15)

x-x-x