



KERALA AGRICULTURAL UNIVERSITY
B.Sc. (Hons.) C&B 2015 Admission
VI Semester Final Examination- June -2018
International Trade (2+0)

Marks: 50

Time: 2 hours

(10x1=10)

Econ.3209

I Fill in the blanks

- 1 The Theory of Comparative Cost Advantage is based on:
a Degree of Protection
b Law of Diminishing Returns
c Factor Intensity
d Labour Theory of value
- 2 Unilateral payments are called
a Factor payments
b Public borrowing
c Transfer payments
d Grant
- 3 The trade of textiles and clothing are regulated by
a GATT
b WTO
c GATS
d MFA
- 4 In balance of payment accounting gifts from foreigners is considered as:
a Capital Receipts
b Goods
c Services
d Unrequited Receipts
- 5 Trade in services is included in:
a Capital account
b Current account
c Merchandise account
d None of these

State True or False

- 6 IMF and World Bank are called "Bretton Woods twins".
- 7 The mercantilists advocated the policy of protectionism.
- 8 The headquarters of WTO is in Kathmandu.
- 9 A tariff that maximises economic welfare is called protective tariff.
- 10 Merchandise export is an invisible item in the Balance of Payment account of a country

(5x2=10)

II

Write Short notes on any FIVE of the following

- 1 Countervailing duties
- 2 APEDA
- 3 The practice of Dumping.
- 4 Capital account convertibility
- 5 Optimum tariff
- 6 Protectionism
- 7 Balance of Payments

(5x4=20)

III

Answer any FIVE of the following.

- 1 Explain TRIMS, GATS and TRIPS.
- 2 What are the arguments against free trade?
- 3 Explain important functions of WTO.
- 4 Explain Smith's theory of absolute differences in costs.
- 5 What are the arguments for flexible exchange rate?

P T O

- 6 Different types of non-tariff barriers.
- 7 Distinguish between internal and international trade

IV Write an essay on any ONE of the following (1x10=10)

- 1 What are the important causes for BOP disequilibrium? Suggest measures to correct disequilibrium in BOP.
- 2 State and explain Heckscher – Ohlin theory of international trade.
