

Year- 2021-22

Shastri 3rd Year, 1st Semester

Subject - Economics, Paper – 7th

Time- 3½ hours

Marks- 70

Instruction: Each line should contain ten (10) words and each page should contain eight (8) lines. Answer the questions according to the instructions given to each unit separately. Marks allotted to each unit are indicated on the right hand margin.

Unit-A

(V.V. Short Answers)

15x1=15

Note: All questions of “Unit-A” are compulsory. Answer each question in 2 lines. All questions carry equal mark.

- 1.**
 - i.** Define the term offer curve.
 - ii.** What do you mean by factor endowment?
 - iii.** Give the meaning of balance of trade.
 - iv.** Define terms of trade.
 - v.** Explain the diversification argument in favour of protection.
 - vi.** Describe the term dumping.

- vii. Write the meaning of devaluation of currency.
- viii. Give the objectives of IBRD.
- ix. Describe the concept of import licensing.
- x. Define the term unilateral quota.
- xi. Mention two objectives of GATT.
- xii. Define the term purchasing power parity.
- xiii. What do you understand by sunset industries?
- xiv. Define the meaning of exchange control.
- xv. Define over-valuation of currency.

Unit- B

(V. Short Answer)

5x3=15

**Note: Attempt any 5 questions. Answer each question in 8 lines.
All questions carry equal marks.**

2. Write a brief note on the provision of GATT.
3. Give the assumptions of Hecksher-Ohlin model.
4. Explain the meaning and objectives of quota.
5. Describe the various types of tariff.
6. Write a brief note on custom union.
7. Describe the objectives of exchange control.

8. Mention the differences between international and inter-regional trade.

Unit- C
(Short Answer)

5x6=30

Note: Attempt any 5 question. Answer each question in 2½ pages. All questions carry equal marks.

9. Discuss the need for protection in an underdeveloped country. Give the arguments in support of policy of protection.
10. Write a note on the meaning and types of quota and explain the merits and demerits of different types of quota.
11. Critically discuss the opportunity cost theory of international trade under decreasing opportunity cost.
12. Critically analyse the purchasing power parity theory of exchange rate.
13. Describe the origin, objectives and functions of International Monetary Fund (IMF)
14. State the case for and against the free trade.
15. Discuss the balance of payment theory of exchange rate.

Unit-D
(Essay type Answer)

Note: Answer any one question in 7 pages. Marks allotted to each question are indicated on the right hand margin.

16. Write a note on the meaning and structure of balance of payment accounts. Is balance of payment always in equilibrium? Explain. **10**

17. Critically discuss the Mill's theory of reciprocal demand. How is it a correction over comparative cost theory? **08**

18. Write a note on the origin of WTO, its objectives, functions and differences between WTO and GATT. **06**
