

2015

(4th Semester)

ECONOMICS

(Honours)

Paper No. : ECO-402

(**International Economics**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Highlight the distinguishing features of the opportunity cost approach to international trade and compare it with those of Ricardian model. 5+9=14
2. State and elaborate Leontief Paradox. In what way does it negate the Heckscher-Ohlin theory? 7+7=14

UNIT—II

3. Explain and show the effects of an import tariff on production, consumption, government revenue and imports of a country in the tariff-imposing country under partial equilibrium. 14
4. Highlight the limitations of the concept of optimum tariff. What happens to the concept when trading countries resort to retaliatory imposition of tariffs? 4+10=14

UNIT—III

5. What do you mean by Balance of Payments? Explain the structure of the Balance of Payments of a country. 4+10=14
6. Explain the meaning of Balance of Trade. How would you remove the deficit in the Balance of Payments of a country? 4+10=14

UNIT—IV

7. Evaluate the working of the International Finance Corporation (IFC). How far has it succeeded in aiding the economic development of the developing countries? 9+5=14

8. State briefly the functions of the Asian Development Bank (ADB) and evaluate its working. 14

UNIT—V

9. Write a lucid note on the rationale and performance of General Agreement on Tariff and Trade (GATT). 14
10. Write a note on explaining the benefits of having a South Asian Free Trade Agreement (SAFTA) with SAARC nations. 14
