



Register Number:

DATE:

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
M.A. ECONOMICS- III SEMESTER
SEMESTER EXAMINATION-OCTOBER 2019
EC9118: INTERNATIONAL ECONOMICS

Time – 2 ½ hrs

Max Marks-70

This question paper has 1 printed page and 3 parts

Part A. Answer any FIVE of the following

2*5=10

1. What do you mean by elasticity of export?
2. What is purchasing power parity?
3. Why is the optimal tariff of a small country zero?
4. What is custom union?
5. What will be the import elasticity of demand in a situation when elasticity of offer curve is positive and greater than one?
6. State Leontief paradox.
7. What distinguishes neo-Heckscher-Ohlin model of intra-industry trade from standard Heckscher-Ohlin model of international trade?

Part B. Answer any THREE of the following

10*3=30

8. Explain the cause and consequences of Latin American Debt crisis.
9. Explain portfolio balance approach of exchange rate determination.
10. Critically discuss Stolper-Samuelson theorem.
11. What are the implications for trade patterns and factor prices when factor reversals exist?
12. Critically explain Rybczynski theorem

Part C Answer any TWO of the following

15*2=30

13. Describe the consequences of imposition of tariff by a large country in partial equilibrium analysis.
14. Critically discuss Heckscher-Ohlin theory of international trade. 'Empirical validity of Heckscher –Ohlin theory needs careful understanding of real world'-validate the argument.
15. Describe the monetary approach theory of Balance of payment. How does it differ from purchasing power parity and portfolio balance approach theory of balance of payment?