SEMESTER VI QUESTION BANK

MODULE I

**INTRODUCTION TO INTERNATIONAL TRADE**

1. Explain the Ricardian Theory of Comparative Cost and evaluate it.
2. Explain the modern theory of International Trade. (Modern Theory / H.O. theory / factor abundance)
3. Distinguish between the Net Barter Terms of Trade and Gross Barter Terms of Trade.
4. Explain the Theory of reciprocal demand and determination of terms of trade.
5. Explain with the help of a diagram the concept of offer curves and changes in terms of trade.
6. Write short notes on

(a) Applicability of Ricardian theory

(b) Factor intensity

(c) Limitations of H-O Theory

(d) Income terms of trade

(e) Factors affecting the terms of trade

(f) Terms of trade and gains of trade

MODULE II

**COMMERCIAL POLICY**

1. Discuss the arguments in favour of and against protectionism.
2. What are tariff barriers of trade? What are different types of tariffs?
3. Discuss the various non-tariff barriers.
4. Explain the economic effects of import tariffs.
5. Discuss the formation of European Union. Write about the Euro zone crisis.
6. Discuss the important ASEAN initiatives to achieve regional economic integration.
7. Explain the concepts of regionalism and multilateralism in international trade.
8. Discuss various types of international economic integrations.
9. Write short notes on

(a) Dumping

(b) Free trade policy

(c) Import licensing

(d) Countervailing tariffs or duties

(e) Quota

MODULE III

**Balance of payments and International Economic Organization**

1. Explain the structure of Balance of Payments
2. Discuss how Balance of Payment always balances
3. Distinguish between autonomous and accommodating transactions
4. What are the different measures to correct a deficit in Balance of Payment
5. Explain the causes of disequilibrium in Balance of Payment
6. Write a detailed note on WTO Agreements on GATS.
7. Briefly explain the important agreements of WTO
8. What is WTO? Briefly explain its principles

SHORT NOTE:

1. Current account balance
2. Capital account balance
3. Impact of devaluation
4. TRIPs
5. TRIMs
6. GATS

MODULE IV

**Foreign Exchange Market**

1. Distinguish between Spot and Forward exchange rates
2. Explain the operation of Arbitrage
3. Explain the meaning and functions of a foreign exchange market
4. Discuss the factors influencing demand for and supply of foreign exchange
5. Explain the determination of foreign exchange rate and the factors responsible for change in exchange rate
6. Discuss the absolute and relative versions of the purchasing power parity theory
7. Explain managed flexible exchange rate system in India
8. Outline the role of Central bank in Foreign exchange rate management
9. Explain Fixed exchange rate system

SHORT NOTE:

1. Hedging
2. Speculation
3. Law of one price
4. flexible exchange rate system