

**5/H-16 (vi) (Syllabus-2017)**

**2022**

( November )

**ECONOMICS**

( Honours )

( **International Economics** )

*Marks : 75*

*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. Explain how the law of comparative advantage lead to international trade. 15
2. Explain the Leontief's paradox. How does it limit the empirical validity of the Heckscher-Ohlin theory of international trade? 10+5=15

**UNIT—II**

3. Describe different concepts of terms of trade. What are the important factors influencing the terms of trade? 10+5=15

4. Explain the theory of Immiserizing growth.  
What are its limitations? 10+5=15

**UNIT—III**

5. Define tariffs. Explain the effects of tariff under partial equilibrium condition. 5+10=15
6. What are non-tariff barriers? Examine the impact of non-tariff barriers on trade of a country. 5+10=15

**UNIT—IV**

7. Explain the Current Account convertibility of the Indian rupee. Why is the Capital Account not fully convertible? 10+5=15
8. Explain the absorption approach as the BOP adjustment mechanism of a country. What are its limitations? 10+5=15

**UNIT—V**

9. Discuss the role and functions of World Bank. How far has India benefited from her membership of the World Bank? 8+7=15
10. Define BRICS in the light of regional trade. Explain its role and objectives in promoting trade. 5+10=15

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