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(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. "The value of any commodity is determined by its labour cost." Critically examine the comparative cost advantage theory of international trade. 14
2. Discuss Heckscher-Ohlin theory of international trade as an improvement over the classical theory of trade. 14

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(Turn Over)

UNIT—II

3. What is tariff? Discuss the effects of tariff under general equilibrium. 2+12=14
4. Critically examine the concept of optimum tariff. 14

UNIT—III

5. Distinguish between Balance of Trade and Balance of Payments. Explain the causes of chi-equilibrium in the country's Balance of Payments. 4+10=14
6. What are various methods of correcting Balance of Payments deficit? Discuss the effects of devaluation. 4+10=14

UNIT—IV

7. Briefly explain the working mechanism of IMF. Critically appraise the assistance provided by IMF to India. 7+7=14
8. Give a brief account of the rationale, objectives, sources of funds of ADB. State its functions, organization and evaluate its progress. 7+7=14

(3)

UNIT—V

9. What is GATT? Explain its objectives and functions. Discuss its activities in the developing countries. $2+6+6=14$
10. Critically examine the working and functions of SAARC. 14
