

AES'S
Tuljaram Chaturchand College, Baramati
Department of Economics
Question Bank for
M.A. I (Semester-I) 2019-20
International Economics : I (ECO-4103)

Q. 1. Objective Questions

1. Theory of Absolute cost advantage was presented by:
A) J.B. Say B) David Ricardo
C) J.M. Keynes D) J. S. Mill
2. Who wrote the book 'Principals of Political Economy and taxation' ?
A) Robinson B) David Ricardo
C) J.M. Keynes D) Hicks
3. Theory of Comparative Advantage was presented by :
A) Robertson B) David Ricardo
C) J.M. Keynes D) Hicks
4. "Terms of Trade" between two countries refer to a ratio of :
A) Export price to import price B) Exports to imports
C) Currency Values D) Balance of payment to trade
5. According to H-O cause of trade is :
A) Difference in Factor Endowment B) Difference in Political System
C) Difference in Market D) Difference in History
6. Government policy about export and import is called :
A) Commercial Policy B) Monetary Policy
C) Fiscal Policy D) Bank Policy
7. Foreign trade:
A) Increase Employment B) Increase economic Growth
C) Increase Investment D) All of the above
8. Rich countries have deficit in their balance of payments :
A) Sometimes B) Never
C) Always D) Alternate Two Years
9. Pakistan's exports mainly consists of products :
A) Semi-manufactured B) Service

C) Weapons

D) Machines

10. A country that does not trade with other countries is called

A) Closed Economy

B) Developed Economy

C) Developing economy

D) None of the above

11. Which of the following policy trade policies limits specified quantity of foods to be imported at one tariff rate :

A) Quota

B) Import tariff

C) export tariff

D) None of the above

12. New trade policy theory assumes the following :

A) increasing returns to scale

B) imperfect competition

C) Product differentiation

D) all of the above

13. Net Exports equal :

A) Exports-Imports

B) Exports * Imports

C) Exports +Imports

D) Only service exports

14. Terms of trade of developing countries are generally unfavourable because

A) Exports of primary goods

B) Import value added goods

C) Less exports

D) (a) & (b) None of the above

15. Member countries of WTO

A) 200

B) 164

C) 147

D) None of the above

Q. 2. Answer in one sentences

1. What is meant by mercantilism?

2. What is meant by absolute costs advantage?

3. What is meant by comparative costs advantage?

5. Write the observation of Leontief?

6. Write the definition of free trade policy?

7. Write the definition of protection trade policy?

8. What is meant by tariffs?

9. What is meant by non-tariff barriers?

10. Write the meaning of quota.

11. What is a WTO?

12. Write two agreements on agriculture sector under WTO.

13. Write two agreements on manufacturing sector under WTO.
14. Write two agreements on service sector under WTO.
15. Write export commodities form India.
16. Write import commodities of India.
17. Write export destination of India.
18. Write import destination of India.
19. Meaning of Trade deficit.
20. What is meant by devaluation of rupee?

Q. 3 Short Notes

1. Terms of Trade.
2. Classical Economic Thoughts.
3. Mercantilism.
4. Net Barter Terms of Trade.
5. Free Trae Policy.
6. Protection Trade Policy.
7. Trade Barriers Tariffs.
8. Non-Tariff trade barriers.
9. Factor Endowment.
10. Leontief Paradox.
11. Intra Industry Trade.
12. Write export composition of India.
13. Write import composition of India.
14. Write export direction of India.
15. Write import direction of India.

Q. 4. Short Answer Questions

1. Smits's absolute costs advantages.
2. Critical Evaluation of Comparative costs advantage theory.
3. Explain Opportunity Costs.
4. Explain the Leontief Paradox.
5. State Net Barter Terms of Trade.
6. State Gross Barter Terms of Trade.
7. Discuss the factors affecting terms of Trade.

8. Discuss the policy of free trade.
9. Discuss the policy of protection trade.
10. Explain the GATT.
11. Discuss the Dunkel Proposal.
12. State tariffs and price effects.
13. State tariffs and Terms of Trade effects.
14. State tariffs and Competitive Effect.
15. State tariffs and Income Effect.
16. State tariffs and Revenue Effect.
17. Discuss the World Trade Organization.
18. Discuss the Service Sector and WTO.
19. Discuss the Manufacturing sector and WTO.
20. Discuss the Agriculture and WTO.

Q. 5. Long Answer Questions

1. Discuss the Ricardo's theory of comparative costs.
2. Discuss the Haberler's theory of opportunity costs.
3. Discuss the theory of Factor Endowments in terms of price criterion.
4. Discuss the theory of Factor Endowments in terms of physical criterion.
5. Explain the Leontief Paradox.
6. State the Samuelson's Theory of Factor Price Equalization.
7. Discuss the Stolper-Samuelson theorem with box diagram.
8. Discuss the Product Cycle Theory.
9. Discuss the theory Technology Gap.
10. Explain an Intra-Industry trade.
11. Discuss the Krugman Theory of Economic Geography.
12. Define economies of scale.
13. What is meant by terms of trade ? Discuss the factors affecting terms of trade.
14. Discuss the terms of trade and economic development.
15. Explain the gross barter terms and net barter terms of trade.
16. Discuss against and in favour arguments of free trade.
17. Discuss against and in favour arguments of protection trade.
18. Explain the Non-Tariff Barriers in protection trade policy.
19. Discuss the Agreement on Agriculture (AoA) under WTO.
20. Discuss Indian economy and WTO.