

(i) Printed Pages : 2

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(ii) Questions : 14 Sub. Code : 

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Exam. Code : 

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**Bachelor of Commerce 6<sup>th</sup> Semester (Hons.)**

**(2055)**

**ECONOMICS : INTERNATIONAL ECONOMICS**

**Paper : BCH 608**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**Note :—** This question paper consists of *three* parts. Attempt *four* questions from Part-A, each question carries 5 marks and attempt *two* questions each from Part-B and C, each question carries 15 marks.

**PART—A**

1. Barrier Tariffs.
2. Quotas to trade.
3. Commercial policy.
4. Accommodating items in balance of payments.
5. Net barter terms of trade.
6. Is balance of payments always balanced ?

5×4=20

## **PART—B**

7. Explain Ricardo's comparative cost advantage theory of international trade. 15
8. Explain Heckscher-Ohlin theory of international trade. 15
9. Give arguments for and against protection from the view point of developing countries. 15
10. Explain the rationale of protectionist policy in less developed countries. 15

## **PART—C**

11. What is meant by adverse balance of payments ? Explain the components of current account and capital account. 15
12. Discuss in detail the purchasing power parity theory of rate of exchange. 15
13. What do you mean by flexible exchange rate ? How the flexible exchange rate is determined ? 15
14. Differentiate between balance of trade and balance of payments. Explain the measures to correct the disequilibrium in balance of payments. 15