

**Internal Examination October : 2016**

DATE : 17-10-2016      **B. Com. Semester - 5**      TIME : 12.30 to 2.00  
Monday                      Economics                      Marks : 50

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## English Version

Q.1 (a) Discuss factor endowment theory of international trade. **9**

(b) State the causes responsible for an adverse balance of payment. Discuss the measures to correct an unfavourable balance of payment. **9**

OR

Q.1 (a) Examine the arguments in favour of foreign trade. **9**

(b) Write a note on offer curves. **9**

Q.2 (a) Examine the arguments in favour & against free trade policy. **9**

(b) Write a note on different types of exchange rates. **9**

OR

Q.2 (a) Write a note on non-tariff barriers. **9**

(b) Explain purchasing power parity theory of exchange rate determination. **9**

Q.3 (a) Answer any one : **7**

(1) Explain comparative cost advantage theory of international trade.

(2) Discuss reciprocal demand theory of J.S. Mill.

(3) Explain infant industry argument of protection policy.

(4) Explain the interdependence between exchange rate, interest rate & inflation rate.

P. T. O.

(b) Select the correct option :

7

- (1) Absolute cost advantage theory was propounded by \_\_\_\_\_ ( Ricardo, Adam Smith )
- (2) Terms of trade will be \_\_\_\_\_ for tariff imposing country. (favourable, unfavourable )
- (3) \_\_\_\_\_ developed the concept of gross barter terms of trade. ( Marshall, Taussig )
- (4) \_\_\_\_\_ propounded the theory of offer curves. ( Marshall - Edgeworth, Ricardo )
- (5) There are \_\_\_\_\_ accounts in balance of payment. ( two, three )
- (6) Due to free trade, welfare of customers \_\_\_\_\_ . ( increases, decreases )
- (7) There is \_\_\_\_\_ relationship between exchange rate and demand for foreign currency. ( positive, negative )

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