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DATE:16-04-2018 ( 9AM )

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**B.Sc. ECONOMICS – IV SEMESTER**

**SEMESTER EXAMINATION: APRIL 2018**

**ECS416: International Economics**

**Time-1 ½ hrs Max Marks-35**

**This paper contains 1 printed page and 3 parts**

(For supplementary candidates)

Do not write the register number on the question paper

Please attach the question paper along with the answer script.

**PART A**

**Answer any FIVE of the following 3 X5=15**

1. Define terms of trade.
2. State the Marshall-Lerner Condition.
3. Mention the Heckscher-Ohlin theorem.
4. Distinguish between spot and forward exchange rate.
5. Distinguish between Balance of Payments and Balance of Trade.
6. Briefly explain the purchasing power parity theory.
7. Explain the role of International Monetary Fund.

**PART B**

 **Answer any ONE of the following 5x 1=5**

1. Using suitable example, explain the absolute advantage theory and comparative advantage theory of international trade.
2. Discuss the various factors that help in explaining Leontief Paradox.

**PART C**

 **Answer any ONE of the following 15 X1=15**

1. Define an offer curve. Discuss the relationship between elasticity of offer curve, elasticity of export supply and elasticity of import demand.
2. Explain the balance of payments theory of exchange rate determination.

ECS 417-A-18