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Register Number:

DATE:21-04-2017

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

**B.Sc. ECONOMICS – II SEMESTER**

**SEMESTER EXAMINATION: APRIL 2017**

**ECS 416: International Economics**

**Time-1 ½ hrs Max Marks-35**

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

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

1. Define opportunity cost.
2. Distinguish between gross barter terms of trade and net barter terms of trade.
3. State the Stolper Samuelson theorem.
4. Distinguish between depreciation and devaluation.
5. Distinguish between tariff and quota.
6. Explain the purchasing power parity theory.
7. Explain the WTO agreement on Agriculture.

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

1. Show the impact of tariff imposed by a small country using a partial equilibrium approach.
2. Derive the Marshall Lerner condition.

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

1. Discuss the Heckscher Ohlin theory using physical definition of factor abundance. In this context, explain the Leontief paradox.
2. Explain the purchasing power parity theory of exchange rate determination. What are its limitations?

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