

2021
ECONOMICS
(Major)
Course: 603
(International Economics)
Full Marks: 40
Pass Marks : 12
Time : 2 hours

The figures in the margin indicate full marks for the questions

Answer any four of the following questions (within 500 words each)

1. Elucidate the concept of factor abundance. Illustrate the Heckscher-Ohlin theorem with the help of suitable diagrams. 10
2. How is gross barter terms of trade different from net barter terms of trade? What it would mean if the net barter terms of trade of a nation changes from 100 to 120? How does terms of trade act as an engine of growth? 3+3+4=10
3. “Gunnar Myrdal argued that the terms of trade of developing countries have declined over a long period of time, much to their disadvantage”- examine the statement. 10
4. Evaluate the merits and demerits of the inward-looking and outward-looking trade policy. 10
5. Explain the meaning and essential conditions for globalization. Identify the challenges of globalization in the context of developing countries. 4+6=10
6. How is the Relative Purchasing Power Parity theory different from the Absolute Purchasing Power Parity Theory? What are the weaknesses of the Absolute Purchasing Power Parity theory? 6+4=10
7. Discuss the major agreements of the World Trade Organization (WTO) and their impact on developing countries. 10
