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3 TDC (Special) ECO M 6

2016

(July)

ECONOMICS

(Major)

Paper : 30600

(International Economics)

Full Marks : 90

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Answer the following/Choose the correct answer : 1×9=9

(a) What are offer curves ?

(b) What is immiserizing growth ?

(c) What is meant by spot exchange rate ?

Contd.

(d) Name the process when market forces reduce the external value of a currency.

(e) Give the full form of SAFTA.

(f) The theory of reciprocal demand in the field of international trade is propounded by

(i) Adam Smith

(ii) David Ricardo

(iii) J. S. Mill

(iv) Haberler

(g) 'Arbitrage' refers to

(i) settlement of disputes between central bank on matters of interest payment

(ii) movement of funds to take advantage of differences in interest rates

(iii) buying and selling of rupees on the instruction of overseas client

(iv) profits resulting from speculation on the outcome of a balance of payments crisis

(h) The system of exchange rate determination through the market forces coupled with government intervention is known as

(i) free floating exchange rate system

(ii) managed floating exchange rate system

(iii) fixed exchange rate system

(iv) None of the above

(i) The Eurodollar market refers to

(i) an international money market

(ii) the external market in all the major convertible currency

Or

- (b) How was the equilibrium exchange rate determined and maintained under Bretton Woods System? Why did this system collapse?

8+4=12

6. (a) What is balance of payments? Analyse the components of balance of payment of a country. Mention two important reasons of disequilibrium in balance of payments of a country.

2+6+4=12

Or

- (b) Distinguish between balance of payments in capital account and balance of payments in current account. Explain how balance of payments always balances.

6+6=12

7. (a) What are the objectives of World Bank? Mention the achievements and failures of World Bank in promoting international economic development.

6+7=13

Or

- (b) Mention the objectives of WTO. Discuss the impact of WTO agreements on Indian economy.

3+10=13