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PRESIDENCY UNIVERSITY BENGALURU

 **SET-B**

SCHOOL OF COMMERCE

**END TERM EXAMINATION – MAY/JUNE 2024**

**Semester :** Semester IV - 2022

**Course Code :** BSE1014

**Course Name :** International Economics

**Program :** B.Sc. Economics

**Date :** June 10, 2024

**Time :** 9:30 AM - 12:30 PM

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Question paper consists of 3 parts.*
3. *Scientific and non-programmable calculator are permitted.*
4. *Do not write any information on the question paper other than Roll Number.*

**PART - A**

**ANSWER ANY 5 QUESTIONS 5Q X 2M = 10M**

* 1. Distinguish betwen Internal and International trade

(CO1) [Knowledge]

* 1. Considering a country importing 2000 units of coffee priced at Rs5 per unit and importing 1200 units of cotton priced at Rs3 per unit. It Exports 1000 units of rice priced at Rs10 per unit. calculate Net barter terms of trade and conclude if the country has favourable or unfavorable terms of trade.

(CO2) [Knowledge]

* 1. Explain two negatives of tariffs.
	2. NAFTA considered a controversial agreement- Justify.
	3. Outline one real world scenario of Immiserizing Growth

(CO3) [Knowledge] (CO3) [Knowledge] (CO3) [Knowledge]

* 1. The Prebisch Singer theory criticized for faulty statement of gains and losses of primary exports-Justify the statement.
	2. Explain the findings of Paul A Samuelson on Immiserizing Growth

(CO4) [Knowledge] (CO4) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS 5Q X 10M = 50M**

* 1. Leontief had mentioned a criticism HO theory contains with the help of empirical study.Explain regarding that and also the solution he proposed for the same criticism
	2. Outline the different types of tariffs with appropriate examples.

(CO1) [Comprehension]

(CO2) [Comprehension]

* 1. Write the meaning of terms of trade. Also write different concepts of terms of trade.
	2. Assess the arguments in favour of free trade and protectionism.
	3. Examine the importance of international trade in the areas of
		1. promote international trade
		2. global economic development
		3. access to larger markets
		4. global economic stability
		5. inequality

(CO2) [Comprehension] (CO3) [Comprehension]

(CO3) [Comprehension]

* 1. Elaborate on the physical criterion and price criterion of relative factor abundance

(CO4) [Comprehension]

* 1. Identify the determinants of Foreign exchange.

(CO4) [Comprehension]

**PART - C**

**ANSWER ANY 2 QUESTIONS 2Q X 20M = 40M**

* 1. The **European Union** is a notable example of free trade today- Analyse the case by addressing the following questions:
1. Elaborate on the events that led to the creation of the European Union.
2. Why was the Maastricht Treaty met with resistance in the initial stage?
3. Reasons behind Brexit Referendum. Critically examine Brexit’s economic impact

(CO1,CO2) [Application]

* 1. Protectionism is failing to achieve its goals and threatens the future of critical industries.
1. What are the most challenging terrains for trade policy in the near future?
2. Mention the three paradoxes in international trade in the article.
3. Discuss the ‘bystander effect’.
4. Discuss ‘Massively Modular Ecosystem’ with an example
	1. Analyse critically the performance of BRICS in the current economic landscape

(CO3) [Application] (CO4) [Application]