STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2015–16)

SUBJECT CODE: 15EC/PC/IT24

M. A. DEGREE EXAMINATION, APRIL 2016
BRANCH III – ECONOMICS
SECOND SEMESTER

COURSE : MAJOR - CORE
PAPER : INTERNATIONAL TRADE
TIME : 3 HOURS   MAX. MARKS: 100

SECTION – A
ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300
WORDS.   **(5 X 8 = 40)**

1. State Stopler-Samuelson theorem. Write down the gist of the theorem.
2. Describe the product cycle hypothesis. Explain the development and marketing of newly invented product in the world economy.
3. Elucidate Prebisch-Singer hypothesis and portray its implications.
4. What are the effects of various trade policy instruments?
5. What is meant by disequilibrium in balance of payments? What constitute credit and debit items?
6. What were the fundamental principles of GATT?
7. List out some of the important anti-globalisation arguments.

SECTION – B
ANSWER ANY THREE QUESTIONS. EACH ANSWER NOT TO EXCEED 1200
WORDS.   **(3 x 20 = 60)**

8. Give a geometric treatment to the Heckscher Ohlin Model. List out the findings of empirical studies conducted to test the validity of the model.
9. State Rybezynski theorem. Explain it with the help of a diagram. Argue that this does not supplant but supplement the Heckscher-Ohlin theorem.
10. Distinguish between Free Trade and Protection. Bring out various economic arguments for protection.
11. a) Write short notes on
       (i) Adjustable Peg (ii) Crowling Peg and (iii) Wider Band Exchange Systems
    b) Examine various alternative approaches to Balance of Payments Policy.
12. Elaborate the features of World Trade Organisation. State its objectives and functions.

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