

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: International Economics

Programme: MA (EE)

Time: 03 hrs.

Instructions:

Semester: II

CC:ECON 7010

Max. Marks: 100

- a) There are four sections. All sections are Compulsory.
- b) Use hypothetical examples and graphs wherever necessary.

SECTION A

S. No.		Marks	CO
Q 1	True and False		
a.	Portfolio investment is done in real business for short- run purpose.	2	CO1,2
b.	With the appreciation of domestic currency, the terms of trade improve.	2	CO1,2
c.	Textile and Clothing sector is excluded from the ambit of WTO.	2	CO1
d.	Aggregate Measurement of Support (AMS) is related to TRIMs agreement of WTO.	2	CO1,2
e.	As per new trade theory, the bases of trade are people's liking for differentiated products and external economies of scale.	2	CO2

SECTION B

Q	Short questions		
a.	Terms of trade	6	CO1,2
b.	Custom Union	6	CO1,2
c.	External Economies of Scale Role in International Trade	6	CO1,2
d.	Absolute advantage theory	6	CO2
e.	Flexible Exchange Rate Regime	6	CO3

SECTION-C

Q	Analytical Questions		
a.	As per H-O Theory, there should be little trade among developed countries. However, empirically maximum trade is conducted among them. How would you reconcile this	15	CO2

	phenomenon? Critically analyze it in the light of new trade theory in monopolistic market conditions.		
b.	There are two routes to globalization-Multilateralism (WTO) and regionalism under regional trading bloc . Which route would you prefer for a country like India ? Critically discuss.	15	CO2,4,5
SECTION-D			
Q	Statement of question		
a.	There is a close relationship among globalization, energy and environment. All three have influence on each other through multiple channels. Critically analyze these channels. Also analyze the mechanism of tackling the global pollutants like CO ₂ , resulting into global warming, through WTO. Discuss critically.	30	CO1,5

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SECTION A

S. No.		Marks	CO
Q 1	True and False		
a.	Regional Trading Bloc is allowed under WTO as per article XXIV .	2	CO1,2
b.	With the depreciation of domestic currency, the terms of trade improve.	2	CO1,2
c.	Multi-Fibre Agreement is related to Textile and Clothing sector.	2	CO1
d.	Aggregate Measurement of Support (AMS) is related to TRIPS agreement of WTO.	2	CO1,2
e.	As per new trade theory, the bases of trade are people's liking for differentiated products and internal economies of scale.	2	CO2

SECTION B

Q	Short questions		
a.	Terms of trade versus Balance of trade	6	CO1,2
b.	Economic Union	6	CO1,2
c.	New Trade theory under Monopolistic Competition	6	CO1,2
d.	Absolute advantage theory	6	CO2
e.	Fixed Exchange Rate Regime	6	CO3

SECTION-C

Q	Analytical Questions		
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a.	What is the difference between H-O theory and Ricardian theory of comparative advantage? Critically explain the comparative advantage theory in case of increasing opportunity cost.	15	CO2
b.	'What are the points of difference between portfolio investment and foreign direct investment? Assume yourself as a manager of a MNC wishing to invest outside India. Which factors would you consider before choosing a destination? Critically discuss.	15	CO1,5

SECTION-D

Q	Statement of question		
a.	There are two routes to globalization-Multilateralism (WTO) and regionalism under regional trading bloc . Which route would you prefer for a country like India ? Critically discuss.	30	CO2,4, 5