



Doon University, Dehradun
Final Term Examination, 2016
School of Social Science
M.Sc. Semester-IV (Economics)
Course Code –SSEI-223

Course Title-International Economics-II

Time Allowed : 3hrs

Maximum Marks :50

Section - A

Attempt all questions

Marks:4*2=8

- Q.1 Define Key Terms--
- Fixed and flexible exchange rate
 - Depreciation or devaluation and Appreciation
 - Average and Marginal propensity to import
 - Compound Tariff

Section - B

Attempt any three questions

Marks:3*6=18

- Q.1 How are exchange rates determined under the gold standard?
- Q.2 What is Marshall-Lerner condition for
- A stable foreign exchange market
 - An unstable market
 - A depreciation to leave the nation's balance of payment unchanged
- Q.3 What is the theory of second best? Under what conditions is the formation of custom union more likely to lead to trade creation and increased welfare?
- Q.4 What is meant by the absorption approach? In what way does the absorption approach integrate the automatic price and income adjustment mechanisms?

Section - C

Attempt any two questions

Marks:2*12=24

- Q.1 What is meant by dumping? What are the different types of dumping? Why is dumping undertaken? What conditions are required to make dumping possible?
- Q.2 Distinguish between:-
- Preferential trade arrangements and free trade area
 - Custom union and common market
 - Economic integration and economic union
 - Trade creation and trade diversion
- Q.3 Write a short note on:-
- Purchasing power parity theory
 - Foreign Trade multiplier