

(Pages : 2)

**J – 4952**

**Reg. No. :** .....

**Name :** .....

**Fourth Semester M.A. Degree Examination, May 2020**

**Economics**

**EC 242 : INTERNATIONAL ECONOMICS – II**

**(2013 – 2017 Admission)**

Time : 3 Hours

Max. Marks : 75

**PART – I**

Answer **all** questions from this part. Explain the following in **one** or **two** sentences.

1. SDR.
2. MNC.
3. Adjustable Peg Exchange Rate System.
4. Hedging.
5. Optimum Tariff.
6. Fixed Exchange Rate.
7. Capital Account Convertibility.
8. Balance of Payment Account.
9. ADB.
10. TRIPS.

**(10 × 1 = 10 Marks)**

**P.T.O.**



## PART – II

Answer **any seven** questions. Each answer should not exceed **500** words.

11. Distinguish between internal and external balance.
12. What are the functions of foreign exchange market?
13. Explain how FDI contributed to capital flows to Indian Economy?
14. What are the objectives of IMF?
15. Briefly examine the Purchasing Power Parity Theory.
16. What do you mean New International Economic Order?
17. Explain the absorption approach to the Balance of Payments Adjustment.
18. Explain the problem of International liquidity.
19. Examine the functions of WTO?
20. Distinguish between Crawling Peg System and Snake in the Tunnel approach.

**(7 × 5 = 35 Marks)**

## PART – III

Answer any **three** questions. Each answer should not exceed **1200** words.

21. Point out the main features of Breton Wood system? What factors caused the breakdown of the Breton Wood system?
22. Explain briefly GATT Rounds of world trade negotiations? Critically examine its objectives and achievements?
23. What is meant by exchange control? Explain its merits and demerits?
24. Critically examine various theories of exchange rate determination.
25. Define foreign trade multiplier? State its policy implications from the view point of under developed economy?

**(3 × 10 = 30 Marks)**

