

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Final Examination, May-2021**

Course: International Trade  
Semester: IV

Program: BA ( Economics , EE )

Time: 03 hrs.  
Max. Marks: 100

Code: Econ 2006

Instructions:

There are three sections.

**SECTION A (Attempt all) : True and False : Write reasons also in two- three lines**

S. No.		Marks	CO
Q 1	The Indian labor and land laws are very liberal in India.	5	CO1
Q 2	India always has current a/c surplus.	5	CO1
Q 3	Negative inflation rate is a sign of good health of economy.	5	CO1
Q 4	Agreement on Trade-Related Intellectual Property Rights( TRIPs) ensure the protection about technology .	5	CO1
Q 5	As per absolute advantage theory, both exports and imports should be discouraged .	5	CO1
Q 6	India currently has fixed exchange rate.	5	CO1

**SECTION B**

Q 1	“As per H-O Model of international trade , the developed countries should have minimum or no trade among themselves. However, the maximum trade is evidenced among them only empirically.” Critically discuss it in the light of new trade theories.	10	CO1
Q2	What are the bases of trade as per comparative advantage theories propounded by Ricardo and H-O model? With the help of below given matrix , calculate the relative prices and show whether it is profitable to conduct trade for both countries. Also show with graph that after conducting trade , both countries would be better off with consuming more of both commodities. Assume both countries have 100 labor hours each.	10	CO1

	Productivity with 1 Labor Hours in	US	India		
	Cloth	0.5	0.8		
	Wheat	0.6	0.7		
Q3	How does the fixed exchange rate function? Explain with graph. What are its advantages and disadvantages ? Critically discuss.			<b>10</b>	<b>CO2</b>
Q4	What are the sources of external economies of scale ? How do they play important role in clusters in the context of international trade?			<b>10</b>	<b>CO2</b>
Q5	“India committed a mistake by opting out of Regional Comprehensive Economic Partnership( RCEP) .” Critically discuss.			<b>10</b>	<b>CO3</b>
<b>SECTION-C</b>					
Q 1	Assume yourself as a manager of a company wishing to invest outside the domestic economy. Critically discuss all the factors you are going to consider before finalizing you decision.			<b>20</b>	<b>C03</b>