Candiates are required to give their answer in their own words as far as practicable.
The figures in the margin indicate full marks.

Answer any *three* from the following questions : 3×20

1. Define quota and traiff. Show how the changes in the above controlls the volume of international trade. How would you relate it with Globalisation ? 6+8+6

2. State, explain and prove the Heckscher-Ohlin theorem. 4+6+10

3. Define offer curves, TOT & grains from trade. Critically explain the comparative advantage theory of international trade. 4×3+8

4. What are meant by fixed and flexible exchange rates ? Explain. 10×2

5. State, explain and prove the Stolper-Samuelson theorem. 4+6+10

6. Distinguish between balance of trade and balance of payments ? Show that balance of payments always balances. 12+8

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