

2021

ECONOMICS

[**Honours**]

PAPER — VI

Full Marks : 90

Time : 4 hours

The figures in the right hand margin indicate marks

*Candidates are required to give their answers in their own words
as far as practicable*

Illustrate the answers wherever necessary

[FIRST HALF]

(*International Economics*)

Marks : 45

Time : 2 hours

GROUP — A

Answer any **one** of the following : 5 × 1

1. Derive the trade indifference curve and state its properties. 5
2. What do you mean by gains from trade ? What are its components ? 5

GROUP — B

Answer any **two** of the following : 20 × 2

3. Write a note on International Monetary Fund (IMF). 20
4. (a) Explain the Heckscher-Ohlin theorem of international trade.
(b) Discuss the factor price equalisation theorem and Stolper-Samuelson theorem in this context. 10 + (5 + 5)

(Turn Over)

5. (a) Define the following terms related to exchange rate : nominal exchange rate, REER, NEER.
- (b) What are the important components of current account balance ? What do you mean by balance of trade ?
- (c) Explain how devaluation affects the balance of payments and the economy ?
What is 'J' curve ? 6 + (4 + 2) + (6 + 2)
6. (a) Show the effect of a tariff on a small country in a partial equilibrium framework.
- (b) Explain the international payment system under Gold standard.
- (c) Briefly explain the roles of the following three international entities : IMF, World Bank and WTO. 6 + 8 + 6

[SECOND HALF]

(Economics)

Marks : 45

Time : 2 hours

GROUP – A

Answer any **one** of the following : 5 × 1

1. Write down the differences between shares and bonds. 5
2. Distinguish the primary and secondary capital market. 5

GROUP – B

Answer any **two** of the following : 20 × 2

3. (a) Discuss the basic characteristics of a unorganised capital market.
- (b) Explain, how the commercial banks are different from the NBFIs ?
- (c) Explain the role of SEBI in regulating the financial sector of the economy. 5 + 5 + 10
4. Differentiate the following terms : Options and futures ; Arbitrager and Hedger ; Preferential Share and IPO ; Book value and face value. 4 × 5

5. (a) Discuss the role of a Central Bank in an economy.
- (b) Write a note on Central Bank's control over commercial banks. 10 + 10
6. Explain the following markets in brief : call money market; Commercial Bills market; Treasury Bills market ; Short-term loan market. 4 × 5
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