



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Give short answers to the following concepts. (5x6=30)

- i. Import quota
- ii. Comparative advantage
- iii. Terms of trade
- iv. Factor abundance
- v. Marginal rate of transformation

Q.2. Write detailed answers to the following questions. (3x10=30)

- i. Explain rate of effective protection with the help of example.
- ii. Explain with the help of graphs how exports subsidies affect consumers.
- iii. Explain how countries get advantage from trade under increasing costs.