



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions: (5x6=30)

- 1) Briefly explain Mercantilist's view of international Trade.
- 2) What is meant by terms of trade (TOT)? How is TOT determined?
- 3) How can international trade be related to a nation's standard of living?
- 4) Explain the concept of Optimum tariff.
- 5) Explain the difference between Balance of payments and Balance of trade?

Answer the following questions. (3x10=30)

Q.2. How the Ricardian principle of comparative advantage is superior to Adam Smith's principle of Absolute Advantage? Explain with the help of suitable examples.

Q.3. Compare and contrast the partial equilibrium effects of the imposition of an import quota and an import tariff.

Q.4. What is meant by new protectionism? What are its various tools? Explain with the help of suitable examples.