

PG/ECON/3rd Sem/21(CBCS)

2021

ECONOMICS

Paper : ECON - 301

(Pure Theory of International Trade)

[CBCS]

Full Marks : 40

Time : Two Hours

The figures in the margin indicate full marks.

Group - A

Answer any *three* from the following :

10×3=30

1. State the proposition of Heckscher-Ohlin theory of international trade. Explain this theory with a suitable diagram. Why this theory is called factor proportion theory? 2+6+2
2. What is law of comparative advantage? State the assumptions of the theory of comparative advantage. Discuss this theory in terms of opportunity cost. 2+2+6
3. Stating all the assumptions, proof the Rybczynski theorem. 10
4. What is Leontief Paradox? How can you explain this paradox? 3+7
5. Stating the basic assumptions, give an overview of the Specific Factor Model of international trade. 3+7
6. Examine the effects of tariffs on terms of trade and economic welfare of a country. 5+5

Group - B

Answer any *two* questions :

5×2=10

7. State the differences between the Ricardian theory and the Heckscher-Ohlin theory of international trade. 5
 8. Explain the concept of factor intensity reversal in international trade theory. 5
 9. Explain briefly the elasticity of offer curve using a suitable diagram. 5
 10. Write a short note on optimum tariffs. 5
-