**Punjab University**

**M.A. Economics**

**PAPER - I INTERNATIONAL TRADE THEORY & FINANCE**

**(New Course)**

**2006**

***Time Allowed: 3 Hours                                 Maximum Marks: 100***

*Attempt any four questions.*

1. Explain Hechscher-Ohiem Model of International Trade. Also critically, evaluate the findings of W. Leontief in this regard.

2.  Distinguish between price-discriminations and dumping. Do you think that Anti-dumping duties are fir and just farm of taxation?

3. What is Economic Integration? Explain trade crating and Trade diverting custom unions.

4. What was the purpose of creation WTO? Explain is objectives and functions. How for is it successful in its functions especially In relation to LDCs.

5. What is meant by Balance of Payments? How “Price Adjustment Mechanism” is helpful to remove Balance of Payment disequilibrium. Explain with the help of diagram.

6. How would you analyze the use of Monetary and Fiscal Policies to maintain internal and external balance under a floating exchange rate system?

7. Write comprehensive notes on any three of the following:

(i) Arbitrage

(ii) Forward Speculation

(iii) Effective Protection

(iv) International Monetary System.

**2007**

1. (a) How economic integration affects the trade patterns among countries.

(b) Discuss the role of SMRC in Pakistan’s Trade Promotion.

2. How country’s natural resources affect international gain, discuss in the light of Dutch Disease.

3. Explain Heckscher-Ohlin model of International Trade. Why it was criticized by W. Leontief;

4. (a) Explain the factor price equalization theorem.

(b) Explain the factor intensity reversal.

5. (a) Explain the concept of balance of payments (BOP) and its various accounts:

(b) Under what condition the devaluation improve the 8CR discuss.

6. How would you analyze the use of monetary and fiscal policies to maintain internal and external balance under a floating exchange rate system?

7. Write notes on the following:

(a) World Trade organization

(b) Newly Industrializing Countries (NICs).

(c) FDI and developing countries.

**2009**

1. (a) Explain Heckscher-Ohlin model of International Trade.

(b) How the “Specific factors model” explains the effects of International trade on income distribution?

2. (a) What type of growth will most likely lead to a decline in the nation’s welfare?

(b) What is meant by ‘immiserizing growth’?

(c) What type of growth will most likely lead to an increase in nation’s welfare?

3. (a) Explain the model of imperfect competition given by Krugman.

(b) What is the role of economies of scale in determination of comparative advantage for a country?

(c) How intra-industry trade trade is possible in this model?

4. (a) Explain the concept of “Effective Protection” by giving examples.

(b) Analyze the general equilibrium effects of the imposition of a tariff on a small country.

(c) Briefly outline the “Stopler-Samuelson” theorem.

5. (a) What is World Trade Organization?

(b) What are various protections given by WTO rules to LDCs?

(c) What are possible impacts of WTO on agrarian economies?

6. (a) Explain the effects of currency depreciation iii the light of “Elasticity Approach”.

(b) Outline the “Purchasing Power Parity” theory of exchange rate determination.

7. Write notes on any two of the following:

(a) Factor-Intensity Reversal

(b) Newly Industrialized Countries (NICs) and Footloose Production

(c) Voluntary Export Restraints.