2026

ECONOMICS — HONOURS

Paper : DSCC-13

(International Economics)

Full Marks : 75

The figures in the margin indicate full marks.

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

Group - A

1. Answer ***any ten*** questions : 2×10

(a) What is arbitrage?

(b) What are the sources of comparative advantage in trade models?

(c) Is the technological coefficients variable in classical trade models?

(d) What is meant by 'perverse' comparative advantage?

(e) Define elasticity of demand for imports.

(f) State Stolper-Samuelson Theorem.

(g) What is the difference between the physical and price definition of relative factor abundance?

(h) What is Leontief Paradox?

(i) How the three elasticities of Offer curve are related to each other?

(j) Define Factor Intensity Reversal.

(k) What is VER? Give example.

(l) What is tariff war/retaliation?

(m) What do you mean by Tariff-Quota equivalence?

(n) Define trade indifference curve.

(o) What is the difference between Fixed and Flexible exchange rate?

Group - B

Answer ***any five*** questions. 5×5

2. Briefly explain, how relative supply curve of a good is derived in one factor model of trade.

3. State and explain the Rybczynski Theorem.

4. Explain the role of homotheticity of tastes in the context of physical definition of relative factor abundance.

5. 'If one of the two countries completely specializes in post-trade situation then there can be still Factor Price Equalisation'– True or False? Justify.

6. If taste bias outweighs endowment bias, then how does it affect HO Theorem?

7. Between Tariff and Quota, which trade policy a monopolist will prefer and why?

8. Discuss the partial equilibrium effects of Export Subsidy with diagram.

9. Explain the difference between Autonomous and Accommodating transactions with example.

Group - C

Answer ***any three*** questions.

10. (a) What is Labour Theory of value?
    (b) Explain, how a country gains from trade in a two product two country one factor Ricardian model. 3+7

11. (a) Show that the gains from trade can be decomposed into two parts, viz., gains from exchange and gains from specialization.
    (b) Explain two situations, where the entire gains from trade arises either due to exchange or due to specialization. 5+5

12. (a) What is the difference between small and large country in a trading world?
    (b) Discuss the welfare effects of a tariff on large country in the general equilibrium framework. 3+7

13. (a) 'Trade indifference curve considers both supply and demand sides of a country.'— True or False? Justify.
    (b) Derive and explain Marshall-Lerner condition. 5+5

14. (a) What is Optimum tariff?
    (b) What is Metzler Paradox?
    (c) Explain the reason for experiencing such paradox in International Trade. 3+2+5