

Q. No. HS 540 / 071

B. Tech / Odd
(17-18) / Reg

2017-18

**INTERNATIONAL BUSINESS AND
FINANCIAL MANAGEMENT**

HS 540

Full Marks : 70

Time : 3 hours

The figures in the margin indicate full marks.

Answer any *seven* questions.

$7 \times 10 = 70$

1. Explain the limitations of Smith's Absolute Advantage theory. How it is resolved? Examine your view in terms of opportunity cost approach.
2. Examine the effect on trade pattern under:
 - (i) technological change,
 - (ii) international immigration.
3. Examine the possibility of trade under more than two goods. Explain how the wage rates and rate of exchange are manipulated to get the benefits of trade.
4. Examine the Hechscher-Ohlin theorem in terms of price definition and physical definition. Under what condition the country is forced to import the good in which it has comparative advantage, explain with examples.
5. Explain different components of dynamic gains from trade, using suitable examples. What are the static gains? Prove that some trade is better than no trade.

6. Explain different components of Balance of Payments, using suitable examples. Explain different adjustment principles for correcting deficit in the balance of payments.
 7. Explain the multiplier process of an increase in autonomous export on the national income and balance of payment of the two trading countries.
 8. Distinguish between tariff and quota in terms of different effects. Explain the logic behind protecting infant industries through tariff.
 9. Explain the role of IMF and World Bank in monitoring international liquidity.
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