



**University of Petroleum & Energy Studies**  
**College of Management & Economics Studies**  
**Kandoli Campus, Dehradun**

**End-Semester Exam –May, 2017**

**Programme Name: MA ( Energy Economics )**  
**Semester II**

**Subject : International Economics**  
**M.Marks: 100**

**Subject code: MECE 711**

**Duration: 3 Hrs**

**Instructions :**

- a) There are three sections. All sections are Compulsory.
- b) Use hypothetical examples and graphs whenever necessary.

**A, Short-questions : (6 ×6)**

- a. TRIMs    b. Tariff Escalation    c. Multi-Fibre Agreement    d. Import quota    e. Resource Using method of distributing license
- f. Factor-price equalization Theorem

**B Analytical Questions: (2×17)**

**Q1. ‘ As per comparative advantage theory , the developed countries should have little trade among themselves. However, it is evidenced that the maximum trade they have among themselves.’ Critically analyze this phenomenon in the light of new trade theory.**

Q.2 ' Voluntary Export Restraint ( VER) is a politically easy but economically expensive policy tool to protect the domestic economy'. Critically analyze it. Also analyze the big country case in import tariff .

C. Long Question (1×34)

Q. 1 ' The Regional Trading Bloc is not a viable option for developing and poor countries because generally the trade diversion is more than the trade creation in static analysis . However, this is still a better strategy for them to expose their businesses at the regional level first and sharpening their competitiveness to prepare them to face competition at the international level in a dynamic setting.' Critically analyze it in the light of India and other developing countries 'experiences.