



MBA.IB.II/05.12.346

**MBA (INTERNATIONAL BUSINESS) DEGREE II SEMESTER  
EXAMINATION MAY 2012**

**SMI 2203 INTERNATIONAL ECONOMICS**

Time: 3 Hours

Maximum Marks: 50

(5 × 10 = 50)

- I. A. Critically examine the comparative advantage theory of international trade. How far the Hecksher-Ohlin theory could improve the former?  
**OR**  
B. Distinguish between balance of trade and balance of payments. Explain how devaluation acts in correcting the balance of payments disequilibrium.
- II. A. Critically examine the role of 'Tariffs' and 'quotas' as instruments of trade control.  
**OR**  
B. Explain the major 'non tariff' measures in trade control.
- III. A. Examine the major changes in India's Foreign Direct Investment profile since 1990.  
**OR**  
B. Do you agree that in this era of globalisation, Indian rupee should be made fully Convertible? What are the anticipated consequences of making Indian rupee fully convertible?
- IV. A. What are the major export promotion schemes that India has adopted recently?  
**OR**  
B. What are the important functions of Special Economic Zones? Are they socially relevant?
- V. A. Distinguish between 'foreign direct investment' and 'foreign portfolio investment'. Which of these two will be preferred from the economic development perspective?  
**OR**  
B. List five of the most successful Indian joint ventures abroad giving a functional profile of each.

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