FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Third Semester MA Degree Examination, November 2017
EC03C09 - International Trade
(2016 Admission onwards)

Max. Time: 3 hours   Max. Weightage: 36

Part A
Answer all questions
Each bunch of four questions carries weightage of 1

A. **Multiple choice:**

1. Which of the following measures the purchasing power of export earnings of a nation?
   a) Net Barter Terms of Trade   b)Gross Barter Terms of Trade
   c) Income Terms of Trade   d) Single Factoral Terms of Trade

2. If the quantity supplied of exports of commodity X by a nation exceeds the quantity demanded of exports of commodity X by another nation, the relative commodity price of commodity X will
   a) fall   b) rise
   c) remain unchanged   d) any of the above

3. When no imported inputs are used in the production of a commodity, the effective tariff rate on the commodity is
   a) equal to the nominal tariff rate on the commodity
   b) greater than the nominal rate
   c) smaller than the nominal rate
   d) any of the above is possible

4. Who is the author of the book 'Termites in the Trading System: How Preferential Agreements Undermine Free Trade'?
   a) Arvind Subramanian   b)Arvind Panagariya
   c) Jagdish Bhagwati   d) Bibek Debroy

B. **Multiple choice:**

5. A proportionately greater increase in the nation's supply of labour than of capital is likely to result in a deterioration in the nation's terms of trade if the nation exports
   a)capital intensive commodity
   b)labour intensive commodity
   c) either capital intensive or labour intensive commodity
   d) None of these

6. A tariff expressed as a fixed percentage of the value of the imported commodity
   a) Optimum tariff b) Ad valorem tariff   c) Specific tariff   d) Scientific tariff

7. Who is the propounder of Product Cycle model of international trade?
   a) Posner   b) Vernon   c) Samuelson   d) Ohlin

8. Which of the following is an international cartel?
   a) WTO   b)OPEC   c)EU   d) NAFTA

C. Fill in the blanks:

9. ------------------------- is the highest form of economic integration
10. ------------------------- is an exception to Stolper Samuelson theorem
11. -------------------- opted to exit from the EU in the referendum held on June 23, 2016.
12. NAFTA stands for -------------------------------

D. State True or False

13. H-O Theorem assumes international factor mobility
14. VER is imposed by an importing nation
15. The first Ministerial Conference of WTO was held at Singapore
16. Strategic trade policy upholds the principle of free trade

(4 x 1=4 weightage)

Part B (Short Answer Questions)
Answer any ten not exceeding one page each
Each question carries a weight of 2

17. Two gap model
18. Explain Prebisch-Singer Thesis
19. Explain the concept of factor abundance in H-O theorem.
20. Explain intra-industry trade index.
21. Discuss the arguments in favour of protectionist trade policy
22. What is meant by optimum tariff?
23. Rybcyznski theorem
24. Leontief Paradox
25. Explain the concept of foreign trade multiplier
26. How does neutral technical progress affect international trade?
27. Product cycle theory of international trade
28. What is dumping? Explain the administrative procedure to counter dumping.
29. Dutch Disease
30. Stolper –Samuelson theorem.

(10 x 2=20 weightage)

Part C (Essay Questions)
Answer any three not exceeding three pages each
Each question carries a weight of 4

31. Discuss import substitution versus export orientation in the context of India's trade policy.
32. Discuss the theory of Customs Union
33. Explain the effects of tariffs on international trade
34. Explain Factor price equalization theorem
35. Explain Reciprocal Demand theory
36. What are new protectionist measures and examine their impact on international trade.

(3 x 4 = 12 weightage)

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Part A

Answer all questions
Each bunch of four questions carries weightage of 1

1. The rate of growth of an economy mainly depends upon:
   a) The rate of growth of the labour force
   b) The proportion of national income saved and invested
   c) The rate of technological improvements
   d) All of the above

2. Identify the model which is concerned with the 'golden age' equilibrium:
   a) Kaldor model
   b) Keynesian model
   c) Joan Robinson model
   d) Domar model

3. According to R. Nurkse, the inducement to invest in the context of an underdeveloped economy is limited mainly by the:
   a) Lack of savings
   b) Size of the market
   c) Lack of investment opportunities
   d) Low productivity of labour

4. Fei- Ranis theory of economic development is based on
   a) Balanced growth during take-off process
   b) Importance of agricultural product in capital accumulation in under developed countries
   c) Dualistic approach to development
   d) All of the above

5. The classical model of economic development emphasizes
   a) Laissez-faire policy
   b) Capital accumulation
   c) Both (a) and (b)
   d) Neither (a) nor (b)

6. Who believed that a deliberate unbalancing of an economy according to predesigned strategy is the best way to achieve economic growth?
   a) Rosenstein Rodan
   b) A.O. Hrischman
   c) R. Nurkse
   d) J. Schumpeter

7. Kyoto Protocol came into existence in the year of
   a) 1997
   b) 2000
   c) 2005
   d) 2006

8. J. F. Meade pointed out three principles means of growth. Which of the following is not on the list?
   a) Growth of working population
   b) Devaluation
   c) Capital accumulation
   d) Technical progress

Fill in the Blanks

9. A number of indivisibilities hinder the process of economic growth in the initial stages. This view was enunciated by ………

10. According to Solow, if there is divergence between actual rate of growth and warranted rate of growth, they can be reconciled by a change in…………

11. ……… starts his analysis with the tendency towards regional inequalities in a country.

12. The full capacity growth rate in Harrod- Domar Model is also known as………………

States True or False

13. The gender empowerment index is a measure of gender equality is designed by UNDP.

14. The economic development of developing countries can be accelerated by strengthening the backwash effect and weakening the spread effect.

15. The new endogenous growth theory arose when the neo-classical economist neglected the explanations of technological change.

16. Social, economical and ecological equity is not the necessary condition for achieving sustainable development.

(16 x ¼ = 4 weightage)

Part B (Short Answer Questions)
Answer any ten *not exceeding one page each*
Each question carries a weight of 2

17. Distinguish between growth and development. How do you measure economic development?

18. Explain Kuznet's inverted U hypothesis.

19. Discuss Gini co-efficient as a measure of income inequalities.

20. What are the key results of neo-classical model of economic growth?

21. Differentiate between actual, warranted and natural growth rates.

22. Explain the concept of Social Dualism.

23. What are the components of 'Big Push Theory' for growth in a developing economy?

24. Explain the basic propositions of neo-classical model of economic growth.

25. What do you understand by an endogenous growth model? Discuss briefly Romer's contribution to endogenous growth theory.

26. Differentiate between backwash and spread effects.

27. How modern phase of economic growth is different from earlier phase of economic growth?

28. Explain the Harris-Todaro model and examine its relevance.

29. Explain how capitalist economies pass through 'creative destruction'.

30. Highlight how Schumpeter's theory is different from that of neoclassical economists?

(10×2 = 20 weightage)

Part C (Essay Questions)
Answer *any three* not exceeding three pages each
Each question carries a weight of 4

31. Per capita income is an arbitrary and inadequate measure of development. Discuss with suitable examples to support your answer.

32. Describe the structure of Solow model of economic growth. Compare Solow model with Harrod - Domor model.

33. Discuss Marx's theory of economic development. Do you think it is an improvement of Ricardo's theory of development? Substantiate.

34. Analytically compare the basic tenets of balanced and unbalanced growth strategies and give your judgment on the appropriate strategy for an economy.

35. Explain Brudtland commission approach on sustainable development? List out the major steps that you would like to initiate on sustainable development.

(3×4 = 12 weightage)

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Reg. No:..............................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Degree Examination, November 2017

ECO3C11 – Banking Theory & Practices

(2016 Admission onwards)

Max. Time: 3 hours

Max. Weightage: 36

Part A

Answer all questions

Each bunch of four questions carries weightage of 1

A. Multiple Choice:

1. All financial institutions are under the control of:
   - (a) SEBI
   - (b) RBI
   - (c) NABARD
   - (d) None of the above.

2. NABARD came in to existence in:
   - (a) 1980
   - (b) 1986
   - (c) 1976
   - (d) 1982

3. The stock exchange deals in :
   - (a) existing machines and equipments
   - (b) sale of inventories
   - (c) existing securities
   - (d) new securities

4. The most volatile part of the organized money market is the:
   - (a) guilt edged market
   - (b) commercial bill market
   - (c) call money market
   - (d) bonds market

B. Multiple Choice

5. Who is the Chairman of the committee on banking sector reforms?
   - (a) Narasimham
   - (b) Amrita Patel
   - (c) Vijay Khelkar
   - (d) None of these

6. "Sub- prime crisis" relates to:
   - (a) loans sanctioned to people who are not credit worthy
   - (b) education loans to be written off in our country
   - (c) loans to weaker sections of the society
   - (d) primary market issue

7. The capital adequacy norms in banks were introduced in:
   - (a) April 1991
   - (b) April 1992
   - (c) March 1992
   - (d) July 1992)

8. The headquarter of BRICS new development bank:
   - (a) Calcutta
   - (b) Shanghai
   - (c) Savo Paulo
   - (d) none of these

C. Fill in the Blanks

9. IFSC means..

10. .... is the rate at which the central bank of a country lends money to commercial banks in the event of any shortfall of funds.

11. CRISIL is a ....agency in India.

12. Offshore banking is.................................

D. State True or False

13. CIBIL helps in collection and maintaining records of Individual payment affecting loans and Credit Card.
14. A mutual fund is an investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
15. IDBI, IIBI, SIDBI are specialised investment institutions.
16. IBRD and IMF are called "Brettonwood Twins".

(16 x ½ = 4 Weightage)

Part B (Short Answer Questions)
Answer any ten not exceeding one page each
Each question carries a weight of 2.

17. Explain Priority sector lending.
18. Explain the principles of sound portfolio management.
19. Explain credit guarantee schemes.
20. Briefly explain the role of merchant banking in India.
21. Explain the importance of Lead bank scheme.
22. Write a note on NBFIs in India.
23. Briefly explain the reasons for the growth of international banking.
24. Explain the important credit control measures by RBI.
25. Explain the important functions of commercial banks.
26. Define financial inclusion. What are steps taken by RBI to promote financial inclusion?
27. Explain the meaning of Non-performing assets and point out the classification of NPAs.
28. Explain RTGS.
29. Explain the main functions of Regional rural banks in India.
30. Examine the recent trends in commercial banking in India.

(10 x 2 =20 Weightage)

Part C (Essay Questions)
Answer any three not exceeding three page each.
Each question carries a weight of 4.

31. Discuss the features of innovations in banking sector in detail.
32. Briefly explain the banking sector reforms since 1991.
33. Examine the role and functions of specialised financial and investment institutions in India.
34. Critically examine the structure and functions of central banks with special mention the role of RBI and Federal Reserve System.
35. What is credit creation? Explain the process of credit creation and point out its limitations.

(3 x 4 = 12 Weightage)

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Reg. No:..................................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Degree Examination, November 2017

ECO3C12 – Basic Econometrics

(2016 Admission onwards)

Max. Time: 3 hours

Max. Weightage: 36

PART – A

Answer all questions.

Each bunch of four questions carries weightage 1.

A. Multiple choice

1. In the CLR Model it is assumed that
    a) the errors are distributed normally
    b) the explanatory variables are distributed normally
    c) the dependent variable is distributed normally
    d) none of the above

2. Specification refers to the selection of
    a) test statistic
    b) estimating procedure
    c) functional form and explanatory variables
    d) none of these

3. The constant elasticity measures in ------------- model
    a) double log
    b) semi log
    c) linear trend
    d) None of the above

4. Ridge regression is suggested as a solution for
    a) Hetroscedasticity
    b) Multicollinearity
    c) Autocorrelation
    d) None of the above

B. Multiple choice

5. When $R^2 = 1$, the adjusted R^2 will be
    a) 0
    b) +1
    c) -1
    d) less than one

6. The standard error measures the
    a) precision of an estimate
    b) correlation between X and Y
    c) specification error of the model
    d) auto correlation in the model

7. GLS can be performed by running OLS on variables transformed so that the error term in the transformed relationship is
    a) homoscedastic
    b) spherical
    c) serially uncorrelated
    d) eliminated

8. A dummy variable is used as an independent variable in a regression model when
    a) the variable involved is numerical
    b) the variable involved is categorical
    c) when two independent variables interact
    d) None of the above

C. Fill in the blanks

9.	As the sample size becomes very large, the t distribution tends to -----------

10.	Under the hypothesis of no autocorrelation, the Durbin-Watson test statistic is close to

11.	When two or more of the explanatory variables are highly correlated, this situation is referred to as -----------

12.	The dummy variable trap occurs when -------------

D. State True or False

13.	The Explained Sum of Squares is the sum of the distances between y_i and $\bar{y}$

14.	Population census data is an example of cross sectional data

15.	When the errors are not independently distributed, this is referred to as autocorrelation

16.	The Breusch-Godfrey test is used to test the null of no autocorrelation

(4 x 1 = 4 weightage)

PART – B
Answer any ten questions
Each question carries a weightage of 2

17.	Define Econometrics? Discuss the nature and scope of econometrics

18.	Briefly explain the Assumptions of Classical linear regression model

19.	What is the significance of stochastic variable in econometric model?

20.	State and prove the Gauss Markov theorem

21.	Write a note on the non linear regression model and explain the Log-Log Model

22.	What is the coefficient of determination and adjusted R^2

23.	Define ANOVA and explain its application in regression analysis

24.	Discuss the reasons and detecting methods of multicollinearity

25.	Explicate the Durbin Watson 'd' statistic

26.	Briefly explain the procedure of hypothesis testing

27.	Write a note on restricted least squares

28.	Briefly explain the significance of normality assumption

29.	Give examples of use of Dummy variables in Seasonal analysis and Piecewise regression

30.	Write a note on Linear Probability Model (LPM)

31.	What is meant by errors of measurement? Discuss

(10 x 2 = 20 weightage)

PART – C
*Answer any **three** questions*
Each question carries a weightage of 4

32.	What is the econometric methodology? Explain the steps of methodology of econometrics with example

33.	Discuss the role and importance of statistical methods in econometrics by citing suitable examples

34.	What is Hetroscedasticity? Briefly explain the Reasons, Consequences and remedial measures of Hetroscedasticity

35.	Define Dummy variables and Examine significance and uses of Dummy variables

36.	What is meant by model specification? Discuss the types and consequences of model specification errors

(3 x 4 = 12 weightage)