



# UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

FACULTY OF COMMERCE & MANAGEMENT STUDIES

Bachelor of Commerce (Special) Degree Third Year Examination (External) – 2016

May 2022

**BCOM E 3045 – International Economics**

**No. of questions: Six (06)**

**Time: 03 hours**

**Answer any five (05) Questions**

## **Question No. 01**

a) Explain what are the countries and the time periods Mercantilism has been popular in the world.

(08 Marks)

b) What is labour theory of value. Explain how does labour theory of value criticize by other economists.

(12 Marks)

**(Total 20 Marks)**

## **Question No. 02**

Describe what are the salient features of the following trade theories and why are they important when studying international economics.

a). Theory of Hecksher - Ohlin

b). Theory of comparative dvantage

**(Total 20 Marks)**

## **Question No. 03**

a) Explain how does International Monetary Fund (IMF) intervenue to the less developing countries in the world trade.

(10 Marks)

- b) Write short notes on any two of the following.
- i). Organization of Petroleum Exporting Countries - OPEC
  - ii). World Trade Organization - WTO
  - iii). European Union (EU)

(10 Marks)  
**(Total 20 Marks)**

**Question No. 04**

Explain the following topic briefly.

- a). Dumping
- b). Terms of trade
- c). Non-tariff barriers
- d). International Cartels

**(5 x 4 = Total 20 Marks)**

**Question No. 05**

- a). Explain the following.
  - i) Flexible foreign exchange rate
  - ii) Forward foreign exchange rate

(12 Marks)

- b). Name three countries that activate flexible exchange rate. Critically examine how flexible exchange rate affects international trade policies.

(08 Marks)  
**(Total 20 Marks)**

**Question No. 06**

- a). What is meant by “Globalization”.

(05 Marks)

- b). How globalization badly affects to the development process of developing countries. Explain your answer with examples.

(15 Marks)  
**(Total 20 Marks)**