



UNIVERSITY OF SRI JAYEWARDENEPURA  
FACULTY OF HUMANITIES AND SOCIAL SCIENCES

Bachelor of Arts Fourth Year First Semester Examination - July/August, 2017

Economics

**ECON 4130.03 – International Economic Policies**

Time: Three Hours

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**Answer only five Questions. Each question carries equal marks.**

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01. "Free trade may not always be the best conceivable trade policy". Analytically discuss.
02.
  - i. Briefly give the basic features of Mercantilism
  - ii. Mercantilism was severely criticized by different parties in the later period of Mercantilism. Give details of their arguments against mercantilism
03. Explain the factors affected to decline international trade in the Europe including in the Great Britain, from 1879 to the First World War.
04. Explain the factors affected to emerge protectionist trend in international trade during the –War period.
05. Explain the achievements (benefits) and shortcomings of the General Agreement of Trade and Tariff (GATT)?
06.
  - i. Briefly explain the different possible stages of the regional economic Integrations.
  - ii. Explain how regional economic integration leads to gain economic welfare.

07. Select four (4) topics from the following and write short notes.

- i. European Union (EU)
- ii. Association of Southeast Asian Nations (ASEAN)
- iii. Agreement of Textile and Clothing (ATC) of World Trade Organization
- iv. Objectives and Functions of the three institutions established in international economic system during the post - war period
- v. Argument for the statement "National welfare can increase through increase in tariffs (Optimal tariff)

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