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University of Sri Jayewardenepura

Faculty of Humanities and Social Sciences

Bachelor of Arts Fourth Year First Semester Examination – August / September, 2019

Economics

ECON 4130.03 – International Economic Policy

Time: **Three (03)** hours.

Answer **only five (05)** questions. Please be mindful about handwritings.

1. “Free international trade removes market inefficiencies.” Examine this statement.
(16 marks)

2. Explain the impact of imposition of tariffs on national welfare using welfare rationale.
(16 marks)

3. a) What is the basis of mercantilist trade policy? Explain.
(08 marks)

- b) “Modern international trade also operates on mercantilist policies.” Do you agree? Give reasons.
(08 marks)

4. a) What are the policy changes took place in international trade before the World War I?
(08 marks)

- b) “The inter-war American trade policy was highly oriented towards protectionism.” Do you agree? Give reasons.
(08 marks)

5. Evaluate the policy changes made by the General Agreement of Trade and Tariff (GATT) in international trade.

(16 marks)

6. a) What are the impacts of regional economic integrations on international trade? Explain with examples.

(08 marks)

b) Discuss the issues in international trade in less-developed countries.

(08 marks)
