

- (b) State the Heckscher-Ohlin theory.
- (c) The equalization of actual gain with potential gain from trade requires
- (i) tariff imposition
  - (ii) restrictions on trade
  - (iii) free trade
  - (iv) differences in domestic cost ratio
- (d)\* The terms of trade of a country experiencing immiserizing growth
- (i) deteriorate
  - (ii) improve
  - (iii) remain unchanged
  - (iv) result in larger volume of exports and imports
- (e) In a country's balance of payments, balance of trade is a component of
- (i) balance of capital account
  - (ii) balance of current account
  - (iii) transfers
  - (iv) None of the above

- (f) Protection is supported as it
- (i) protects interests of all nations
  - (ii) leads to optimum use of world resources
  - (iii) leads to expansion of home market
  - (iv) provides safeguard against monopolies
- (g) The inflow of foreign capital increases due to
- (i) low interest rates
  - (ii) high bank rates
  - (iii) anticipation of devaluation
  - (iv) recession in the economy
- (h) WTO came into existence as a result of which of the following negotiations?
- (i) Kennedy Round
  - (ii) Tokyo Round
  - (iii) Uruguay Round
  - (iv) Dillon Round