

## **UNIVERSITY OF THE PUNJAB**

B.S. 4 Years Program / Eighth Semester – Spring 2022

Course Code: ECON-404 A

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Time: 3 Hrs. Marks: 60

## THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

- Q.1. Give short answers to the following concepts. (5x6=30)
  - i. Import quota
- ii. Comparative advantage
- iii. Terms of trade
- iv. Factor abundance
- v. Marginal rate of transformation
- Q.2. Write detailed answers to the following questions. (3x10=30)
  - i. Explain rate of effective protection with the help of example.
- -ii. Explain with the help of graphs how exports subsidies affect consumers.
- iii. Explain how countries get advantage from trade under increasing costs.