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**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.**