

MASTER OF ARTS EXAMINATION, 2025
ECONOMICS

2nd Year, 2nd Semester

Subject Code : ECO/A/DSE 10.14

SPECIAL TOPICS II IN INTERNATIONAL ECONOMICS
(Uncoordinated and Coordinated Trade Policies and Regulations)

Time : Two Hours

Full Marks : 30

Answer Any Two Questions

1. (a) What are DUP lobbying activities?
(b) Discuss the Welfare losses that may arise from a monopoly-seeking lobby by a single import-competing firm.
(c) A government's choice of the rate of tariff on imports of an industrial good depends on lobbying by industrialists producing a manufacturing import-competing good, as well as by landlords who produce an agricultural export good. If the country is small in the world market, and same labour is used in production of the two goods as well as in lobbying, explain and illustrate optimum lobbying efforts put by the industrialists and the landlords. 2+7+6=15
2. (a) Distinguish between trade creation and trade diversion effects of an Foreign Trade Agreements (FTA). Using a three country example state the basic condition for trade diversion. Suppose, after signing an FTA agreement with Sri Lanka, India's imports of garments are diverted from Bangladesh to Sri Lanka. Does this hurt India?
(b) How can you use political economy arguments to show that regionalism may foster multilateralism?
3. (a) What are the main arguments for patent protection? How valid do you think such arguments are?
(b) What is parallel imports or international exhaustion of patent rights? Does it violate Trade-Related Aspects of Intellectual Property Rights (TRIPS)? How is it different from piracy?
(c) Is international exhaustion of patent rights granted by rich countries good for poor countries? Is it always good for the rich country as well? Discuss briefly. (2+2) + (3+2) + (3+3) = 15

4. (a) Does trade augment pollution level of a country? Explain. Does your answer depend on who imports what, and on the nature of pollution generated by the traded goods?
- (b) What is trans-boundary pollution? Give an example. Is a nationally optimum regulation applicable for such types of pollution?
- (c) Prove that unregulated competitive producers of an environmentally-quality differentiated good (that generates production pollution) will choose a sub-optimal environmental quality. Using this argument explain ecological dumping by a country. $(3+2) + (1+2+2) + (3 + 2) = 15$
