

THE OPEN UNIVERSITY OF SRI LANKA
 DEPARTMENT OF SOCIAL SCIENCES
 BA DEGREE IN SOCIAL SCIENCES (OLD SYLLABUS) – LEVEL 5
 FINAL EXAMINATION 2018/19
 SSU3204 – INTERNATIONAL TRADE AND FINANCIAL RELATIONS



DURATION - THREE (03) HOURS

Date: 10.02.2019

Time: 09.30 a.m. – 12.30 p.m.

Instructions:

➤ Answer any five (05) questions. All questions carry equal marks.

1. (a) Explain the nature of Mercantilist economic system.
 (b) Examine the validity of policies adopted by Mercantilists.
2. (a) Compare and contrast the Absolute Advantage Theory and the Comparative Advantage Theory by illustrating examples
 (b) Does the argument espoused by Heckscher Ohlin Theory apply to trade within a country? Explain.
3. Critically examine the arguments against free trade. Provide examples where necessary.
4. (a) Briefly explain the main exchange rate regimes.
 (b) Examine the factors affecting exchange rate depreciation with examples.
5. (a) Describe the major components of the Balance of Payment accounts.
 (b) Explain the main consequences of Balance of Payment deficit and how countries overcome this problem.
6. (a) Explain the major decisions taken at the Uruguay Round.
 (b) Describe the role of the World Trade Organization with examples.
7. Explain the four types of regional integration among countries and discuss the advantages and disadvantages of these arrangements.
8. (a) Explain the nature of trade negotiations in Asia.
 (b) Examine the factors that adversely affect cooperation among SAARC countries.
9. Write short notes on any four of the followings.

(a) SAPTA	(d) Factor Price Equalization
(b) Edgeworth Box	(e) Dumping
(c) Floating Exchange Rate	

*****Copyrights Reserved*****