ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

(Department of Economics)

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| **Warning**  1. Plagiarism or hiring of a ghostwriter (s) for solving the assignment(s) will debar the student from the award of degree/certificate if found at any stage.  2. Submitting assignments borrowed or stolen from other(s) as one’s own will be penalized  as defined in the “AIOU plagiarism policy”. |

**Course: International Trade Theory & Policy (9319) Semester: Spring, 2025**

**Level: BS.**

## Please read the following instructions for writing your assignments. (AD, BS, BEd, MA/MSc, MEd) (ODL Mode).

1. All questions are compulsory and carry equal marks but within a question the marks are distributed according to its requirements.

2. Read the question carefully and then answer it according to the requirements of the questions.

3. Avoid irrelevant discussion/information and reproducing from books, study guide or allied material.

4. Handwritten scanned assignments are not acceptable.

5. Upload your typed (in Word or PDF format) assignments on or before the due date.

6. Your own analysis and synthesis will be appreciated.

7. Late assignments can’t be uploaded at LMS.

8. The students who attempt their assignments in Urdu/Arabic may upload a scanned copy of their handwritten assignments (in PDF format) on University LMS. The size of the file should not exceed 5MP.

**Total Marks: 100 Pass Marks: 50**

## Assignment No. 1

**Units 1-4**

Q.1. Enlist and explain different features of international trade as compared to domestic trade. **(20)**

Q.2. In the case of Pakistan, Does international trade follow the classical theory of absolute advantage or the theory of comparative advantage? Discuss in detail. **(20)**

Q.3. Differentiate between the concept of Heckscher-- Ohlin theory and his theorems. Also, explain his price-equalization theorem in detail.  **(20)**

Q.4. What is the product life cycle theory of international trade? Discuss in detail. **(20)**

Q.5. Discuss with the help of a diagram how consumer and producer surplus changes due to the imposition of tariff.  **(20)**

**Total Marks: 100 Pass Marks: 50**

## Assignment No. 2

**Units 6-9**

Q.1. It is argued that nowadays non-tariff are more prominent barriers to international trade as opposed to tariff ones. Do you agree with the statement? Explain.  **(20)**

Q.2. Analyze the recent trends visible in the worldwide pattern of foreign direct investment like MNEs. **(20)**

Q.3. Identify some incentives that the host country should offer to MNEs to increase the inflow of FDI. **(20)**

Q.4. Critically appraise the various economic integration movements that emerged both in developed and developing countries. **(20)**

Q.5. Write short notes on the following: **(5+5+5+5)**

1. Countervailing duties
2. Infant industry.
3. International subcontracting.
4. Balance of payment.