

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Economics)

WARNING

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM 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 "AIOU PLAGIARISM POLICY".**

Course: International Economics-II (4674)

Semester: Autumn, 2013

Level: M.Sc Economics

Total Marks: 100

Credit Hours: 3

Pass Marks: 40

ASSIGNMENT No. 1

(Units: 1-5)

- Q.1 Discuss and evaluate the major arguments in favor of freely fluctuating exchange rates. (20)
- Q.2 Describe the main functions of international capital markets. How do they differ from that of domestic ones? (20)
- Q.3 Explain with the help of a diagram that how the exchange rate is determined in the foreign market? (20)
- Q.4 What is meant by classification of balance of payments? Explain with example. (20)
- Q.5 Under what terms and conditions the underdeveloped countries should seek and accept foreign aid in future? (20)

ASSIGNMENT No. 2

(Units: 6-9)

Total Marks: 100

- Q.1 Can you identify major economic problems relating to trade being faced by developing countries as a group with reference to Pakistan? (20)
- Q.2 Define a commodity agreement. Also discuss its major mechanisms that can be used to implement the pricing scheme of a commodity agreement. (20)
- Q.3 What is meant by internal and external balances (BOP) ? Also explain with the help of diagram how a persistent BOP problem is resolved and a general equilibrium is achieved? (20)
- Q.4 Explain various channels of spreading inflation among the countries. (20)
- Q.5 Enlist various common characteristics of developing countries? (20)