

Roll No.

Question Booklet Number

O. M. R. Serial No.

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B. Com. (Honors) (Sixth Semester)

EXAMINATION, July, 2022

(Group-B : International Trade & Export Management)

CONTEMPORARY ISSUES IN INTERNATIONAL TRADE

Paper Code					
BCOMH	6	0	0	6	ITEM

Questions Booklet
Series

C

Time : 1:30 Hours]

[Maximum Marks : 100

Instructions to the Examinee :

परीक्षार्थियों के लिए निर्देश :

- Do not open the booklet unless you are asked to do so.
 - The booklet contains 100 questions. Examinee is required to answer any 75 questions in the OMR Answer-Sheet provided and not in the question booklet. If more than 75 questions are attempted by student, then the first attempted 75 questions will be considered for evaluation. All questions carry equal marks.
 - Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
- प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
 - प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को किन्हीं 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। यदि छात्र द्वारा 75 से अधिक प्रश्नों को हल किया जाता है तो प्रारम्भिक हल किये हुए 75 उत्तरों को ही मूल्यांकन हेतु सम्मिलित किया जाएगा। सभी प्रश्नों के अंक समान हैं।
 - प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

(Only for Rough Work)

1. Increase in the value of foreign commodities is known as _____.
 (A) Revaluation
 (B) Devaluation
 (C) Inflation
 (D) None of the above
2. The operation of daily nature in the foreign exchange market is known as _____.
 (A) Spot market
 (B) Forward market
 (C) Domestic market
 (D) International market
3. Trade of visible items between the countries is known as _____.
 (A) Balance of Payment
 (B) Balance of Trade
 (C) Deficit Balance
 (D) All of the above
4. When there is unfavourable balance of trade ?
 (A) $X > M$
 (B) $X = M$
 (C) $X < M$
 (D) None of the above
5. Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
 TRIPS is an international agreement that _____ for all World Trade Organization countries.
 (A) Maximum Standards for protection of intellectual property
 (B) Sets minimum standards for intellectual property protection
 (C) Basic standards
 (D) Basic limitations
6. The Paris Convention for the Protection of Industrial Property, 1883.
 The Paris Convention applies to _____.
 (A) Trademarks, unfair competition, and patents
 (B) Geographical Indications
 (C) Wines and Spirits
 (D) All of the above

7. Removing barriers or restrictions set by the government is called :
- (A) Liberalisation
 - (B) Investment
 - (C) Favorable trade
 - (D) Free trade
8. In which year did the government decide to remove barriers on foreign trade and investment in India ?
- (A) 1993
 - (B) 1992
 - (C) 1991
 - (D) 1990
9. Theory of Mercantilism propagates :
- (A) Encourage exports and imports
 - (B) Encourage exports and discourage imports
 - (C) Discourage exports and imports
 - (D) Discourage exports and encourage imports
10. _____ is the application of knowledge which redefines the boundaries of global business.
- (A) Cultural values
 - (B) Society
 - (C) Technology
 - (D) Economy
11. Which is not an Indian Multinational Company ?
- (A) Unilever
 - (B) Asian Paints
 - (C) Piramal
 - (D) Wipro
12. Exchange rate refers to the rate at which of the following is exchanged ?
- (A) Goods
 - (B) Services
 - (C) Currencies
 - (D) All of the above
13. Floating Exchange Rates is determined by :
- (A) Mutual consultations between countries
 - (B) Banking systems
 - (C) Market forces
 - (D) None of the above

14. Managed floating exchange rate is called 'managed' because it is influenced by the steps taken by :
- (A) Government
 - (B) Central Bank
 - (C) World Bank
 - (D) IMF
15. When exchange rate in terms of domestic currency rises :
- (A) Exports become cheaper
 - (B) Imports become cheaper
 - (C) Exports become costlier
 - (D) No effect on imports
16. The exchange rate at which demand for foreign currency becomes equal to its supply, is called :
- (A) Equal rate of exchange
 - (B) Mint parity
 - (C) Equilibrium exchange rate
 - (D) All of the above
17. Demand for foreign currency depends upon :
- (A) repayment of international loans
 - (B) investment in rest of the world
 - (C) direct foreign investment in the domestic economy
 - (D) Both (A) and (B)
18. When the exchange rate rises due to managed floating, it is called :
- (A) Devaluation
 - (B) Appreciation
 - (C) Depreciation
 - (D) Revaluation
19. Balance of Trade equals :
- (A) Exports less imports
 - (B) Exports of goods less imports of goods
 - (C) Exports of services less imports of services
 - (D) None of the above

20. The measurement of Balance of Payments deficit is based on :
- (A) Autonomous transactions
 - (B) Accommodating transactions
 - (C) Current account transactions
 - (D) Capital account transactions
21. Current accounts records all payments to rest of the world as _____ and all receipts from rest of the world as _____.
- (A) Credit, Debit
 - (B) Debit, Credit
 - (C) Debit, Debit
 - (D) Credit, Credit
22. Unilateral transfers are included in :
- (A) current account BoP
 - (B) capital account BoP
 - (C) Both (A) and (B)
 - (D) None of the above
23. Foreign Exchange Transactions dependent on other Foreign Exchange Transactions are called :
- (A) Current account transactions
 - (B) Capital account transactions
 - (C) Autonomous transactions
 - (D) Accommodating transactions
24. Balance of Payments is a _____ Concept.
- (A) Stock
 - (B) Flow
 - (C) Both (A) and (B)
 - (D) Neither (A) nor (B)
25. Gifts and remittances to abroad are recorded on the :
- (A) Credit side of Current Account
 - (B) Debit side of Capital Account
 - (C) Debit side of Current Account
 - (D) Credit side of Capital Account

26. The forward market is especially well-suited to offer hedging protection against :
- (A) translation risk exposure
 - (B) transactions risk exposure
 - (C) political risk exposure
 - (D) taxation
27. All of the following are hedges against exchange-rate risk, except :
- (A) balancing monetary assets and liabilities.
 - (B) use of spot market.
 - (C) foreign-currency swaps
 - (D) adjustment of funds commitments between countries.
28. Tax on imports can be treated as :
- (A) Collateral
 - (B) Trade Barriers
 - (C) Foreign Trade
 - (D) Terms of Trade
29. Which institute supports investments and foreign trade in India ?
- (A) International Monetary Fund (IMF)
 - (B) World Trade Organisation (WTO)
 - (C) World Bank
 - (D) International Labour Organisation (ILO)
30. Regionalism is :
- (A) a protectionist policy created to exclude third world countries from certain forms of international trade.
 - (B) the grouping of countries into regional clusters based on geographic proximity.
 - (C) an international management orientation and a protectionist policy created to exclude third world countries from certain forms of international trade.
 - (D) an international management orientation.

31. The currency used to buy imported goods is :
- (A) the buyer's home currency.
 - (B) the seller's home currency.
 - (C) the currency of a third country.
 - (D) special drawing rights.
32. A country records its international finance accounts in its :
- (A) balance of payments accounts.
 - (B) import/export log accounts.
 - (C) trade payments accounts.
 - (D) net exports payments account.
33. Which among the following products is usually not exported from India ?
- (A) Wheat
 - (B) Rice
 - (C) Sugar
 - (D) Pulses
34. Export-Import Bank of India was established in :
- (A) 1981
 - (B) 1982
 - (C) 1983
 - (D) 1984
35. Which one of the following theories says that "to export was good and to be encouraged but to import was bad and to be discouraged" ?
- (A) Comparative cost theory
 - (B) The theory of absolute advantage
 - (C) Factor endowment theory
 - (D) Mercantilist theory
36. A letter of credits means :
- (A) A bank agreeing to accept and pay on the due date
 - (B) A letter containing conditions of credit purchase or sale
 - (C) A letter sent by exporter to importer sanctioning credit dial
 - (D) A letter sent by importer to exporter sanctioning credit dial

37. Physical delivery of foreign exchange has to take place in case of :
- (A) Forward market
 - (B) Spot market
 - (C) Future market
 - (D) Options market
38. NAFTA stands for :
- (A) North African Trade Association
 - (B) North American Free Trade Agreement
 - (C) Northern Atlantic Trade Agreement
 - (D) Northern Association for Trade
39. IPR stands for :
- (A) Intellectual Property Rights
 - (B) International Property Rights
 - (C) Internal Promotion Rights
 - (D) Interior Promotional Rights
40. The main promoter of trade liberalization was :
- (A) GATT
 - (B) NAFTA
 - (C) CEPTA
 - (D) CISA
41. Which of the following types of regional economic integration focuses only on eliminating internal tariffs ?
- (A) Customs union
 - (B) Common market
 - (C) Complete economic integration
 - (D) Free trade area
42. NAFTA calls for all of the following, except :
- (A) the harmonization of trade rules
 - (B) the liberalization of restrictions on services
 - (C) the implementation of a common currency
 - (D) the liberalization of restrictions on foreign investment
43. Where is the headquarters of the EU ?
- (A) Belgium
 - (B) Netherlands
 - (C) Luxembourg
 - (D) Greece
44. Where is the headquarters of the SAARC ?
- (A) Manila
 - (B) Kathmandu
 - (C) New Delhi
 - (D) Jakarta

45. Apart from India, Pakistan and Bangladesh who are the other member countries of SAARC ?
- (A) Nepal, Bhutan, Thailand and Singapore
- (B) Nepal, Bhutan, Malaysia and Maldives
- (C) Nepal, Bhutan, Maldives, Sri Lanka and Afghanistan
- (D) None of the above
46. Which of the following is not the main purpose for formation of SAARC ?
- (A) To combat terrorism
- (B) To promote the welfare of the people of South Asia
- (C) To form mutual defence against foreign aggression
- (D) None of the above
47. SAPTA is a trade agreement by _____.
- (A) ASEAN Nations
- (B) APEC Nations
- (C) SAARC Nations
- (D) EU Nations
48. Which one of the following has a single currency managed by a common central bank ?
- (A) ASEAN
- (B) European Union
- (C) World Trade Organization
- (D) The Organization for Economic Cooperation and Development
49. The European Union is a free trade association that is based on a(n) :
- (A) economic and monetary union.
- (B) economic union.
- (C) monetary union.
- (D) commonly agreed upon list of lowered tariffs.
50. A simultaneous purchase and sale of foreign exchange for two different dates is called :
- (A) currency devalues
- (B) currency swap
- (C) currency valuation
- (D) currency exchange

51. Nations conduct international trade because :

- (A) Some nations prefer to produce one thing while others produce other things.
- (B) Resources are not equally distributed among all trading nations.
- (C) Trade enhances opportunities to accumulate profits.
- (D) Interest rates are not identical in all trading nations.

52. Globalization refers to :

- (A) Lower incomes worldwide
- (B) Less foreign trade and investment
- (C) Global warming and their effects
- (D) A more integrated and interdependent world

53. Increased foreign competition tend to :

- (A) Intensify inflationary pressure at home
- (B) Induce falling output per worker-hour for domestic workers
- (C) Place constraints on the wages of domestic workers
- (D) Increase profits of domestic import-competing industries

54. International trade forces domestic firms to become more competitive in terms of :

- (A) The introduction of new products
- (B) Product design and quality
- (C) Product price
- (D) All of the above

55. If a nation has an open economy it means that the nation :

- (A) Allows private ownership of capital
- (B) Has flexible exchange rates
- (C) Has fixed exchange rates
- (D) Conducts trade with other countries

56. According to Adam Smith, the trade between countries should happen _____.

- (A) Naturally according to the market forces
- (B) Under government regulation
- (C) Using factors that are available
- (D) Only when a country has an absolute advantage

57. Mercantilists believed that a country could increase the amount of wealth it had by _____.
 (A) Promoting exports and discouraging imports
 (B) Discouraging exports and promoting imports
 (C) Controlling imports and exports
 (D) Increasing both imports and exports
58. Investment in plant and machinery is termed as :
 (A) FDI
 (B) FII
 (C) Portfolio Investment
 (D) Capital Investment
59. The traditional mode of entering into international business is :
 (A) Licensing
 (B) Exporting
 (C) Joint venture
 (D) Subsidiary
60. Which type of the following stages of internationalization has decentralized decision-making ?
 (A) Subsidiary
 (B) Multinational Corporation
 (C) Transnational Corporation
 (D) Domestic Company
61. Agreement between two parties where in one gives rights to use their intangible property to another entity is called as :
 (A) Direct exporting
 (B) Turnkey project
 (C) Strategic alliance
 (D) Licensing
62. Globalisation has improved in the living structure of :
 (A) All the people
 (B) Workers in developing countries
 (C) People in developed countries
 (D) None of the above

63. Which institute supports investments and foreign trade in India ?
- (A) IMF
 - (B) WTO
 - (C) World Bank
 - (D) International Labour Organisation (ILO)
64. An MNC is a company that owns or controls production in :
- (A) One country
 - (B) More than one country
 - (C) Only developing countries
 - (D) Only developed countries
65. Which is the right sequence of stages of Internationalization ?
- (A) Domestic, Transnational, Global, International, Multinational
 - (B) Domestic, International, Multinational, Global, Transnational
 - (C) Domestic, Multinational, International, Transnational, Global
 - (D) Domestic, International, Transnational, Multinational, Global
66. Forces that impacts business environment due to change in government is type of :
- (A) Legal
 - (B) Cultural
 - (C) Social
 - (D) Political
67. Which of the following is not cultural factor ?
- (A) Language
 - (B) Income
 - (C) Beliefs
 - (D) Customs
68. Rise in prices due imbalance between demand and supply is called as :
- (A) GDP
 - (B) Inflation
 - (C) Deflation
 - (D) None of the above

69. The _____ is being driven by the demand and supply of products and services.
- (A) Market economy
 - (B) Capitalist economy
 - (C) Both (A) and (B)
 - (D) Socialist economy
70. India is the best example of :
- (A) Market Economy
 - (B) Capitalist Economy
 - (C) Mixed Economy
 - (D) Socialist Economy
71. National culture is based on _____.
- (A) Language
 - (B) The territory of the state
 - (C) The sense of belonging of a people
 - (D) The nation-state
72. Corporate governance is a form of :
- (A) External regulation
 - (B) Self-regulation
 - (C) Government control
 - (D) Charitable action
73. More expansion of foreign direct investment can boost :
- (A) Money Circulation
 - (B) Demand
 - (C) Employment
 - (D) Unemployment
74. The union government adopted new definition of FDI and FPI in 2014. Which of the given below is incorrect in this regard ?
- (A) The new definition considers 5% investment in capital of an unlisted company as FPI.
 - (B) The new definition considers 5% investment in capital of an unlisted company as FDI.
 - (C) The new definition considers 5% investment in capital of an listed company as FPI.
 - (D) None of the above
75. Government has raised FDI level in Brownfield Pharma to what percent under the automatic route to attract capital and technologies in the pharmaceutical sector ?
- (A) 74
 - (B) 49
 - (C) 50
 - (D) 56

76. OLI Theory is also known as :
- (A) The transaction cost approach
 - (B) The eclectic paradigm
 - (C) The strategic linkage theory
 - (D) Perfect market hypothesis
77. Which of the following types of FDI includes creation of new assets and production facilities in the host country ?
- (A) Brownfield investment
 - (B) Mergers and Acquisition
 - (C) Strategic Alliance
 - (D) Greenfield investment
78. Which of the following is not the objective of the IMF ?
- (A) To promote international monetary cooperation
 - (B) To ensure balanced international trade
 - (C) To ensure exchange rate stability
 - (D) To provide loan to private sectors
79. If the Balance of Payment of a country is adverse, then which institution will help that country ?
- (A) World Bank
 - (B) World Trade Organization
 - (C) International Monetary Fund
 - (D) Asian Development Bank
80. Which of the following is known as the Paper Gold ?
- (A) US Dollar
 - (B) Pound
 - (C) Demand Draft
 - (D) Special Drawing Right
81. Why was the World Bank established ?
- (A) To promote the International Trade
 - (B) To reconstruct the economies damaged during the Second World War
 - (C) To improve the adverse Balance of Payment situation of the non-member countries.
 - (D) None of the above

82. Which of the following statements is correct ?
- (A) Every member country of the IMF automatically becomes the member of the World Bank.
- (B) The World Bank has 45 founder members.
- (C) India is not the founding member of the World Bank.
- (D) IMF is the part of World Bank Group.
83. Which of the following is not the function of the World Bank ?
- (A) To provide long-term loan to the member countries.
- (B) To provide loan to private investors belonging to member countries on its own guarantee.
- (C) To ensure exchange rate stability.
- (D) To provides loan mainly for productive activities.
84. Which of the following institutions is not part of the World Bank Community ?
- (A) IBRD
- (B) WTO
- (C) IDA
- (D) IFC
85. Which of the following does not form part of current account under balance of payments ?
- (A) Export and import of goods
- (B) Export and import of services
- (C) Income receipts and payments
- (D) Capital receipts and payments
86. Which of the following pairs is not correctly matched with regard to balance of payment accounts ?
- (A) Import of goods and services – Debit in the current account
- (B) Receipts of transfer payments – Credit in the current account
- (C) Direct investment receipt – Credit in the capital account
- (D) Portfolio investment payments – Debit in the current account

87. The portfolio investment by foreign institutional investors is called :
- (A) FDI
 - (B) FII
 - (C) Balance of Payment
 - (D) SDR
88. Which of the following is known as soft loan window of the World Bank ?
- (A) IDA
 - (B) IFC
 - (C) IBRD
 - (D) MIGA
89. The investment arm of the World Bank is :
- (A) IDA
 - (B) IFC
 - (C) IBRD
 - (D) MIGA
90. How is comparative advantage defined ?
- (A) You produce the things you are especially good at and buy from others, the goods you are less efficient in producing.
 - (B) To produce and consume all goods without trade.
 - (C) How the world actually works.
 - (D) Globalization, growing economic linkages among countries.
91. What are the four factor endowments ?
- (A) National resources, labour, physical capital and human capital
 - (B) Types of technology
 - (C) Material inputs used up in the process of production
 - (D) International differences in climate
92. Which of the following trade policies limits specified quantity of goods to be imported at one tariff rate ?
- (A) Quota
 - (B) Import tariff
 - (C) Specific tariff
 - (D) All of the above

93. What was the first economic theory of international trade to be developed ?
- (A) The theory of mercantilism
 - (B) The theory of comparative advantage
 - (C) The theory of absolute advantage
 - (D) The Heckscher-Ohlin theory
94. A bailment cannot be made about :
- (A) A car
 - (B) Furniture
 - (C) Money
 - (D) Television
95. Sale without consideration is :
- (A) Gift
 - (B) Bailment
 - (C) Agreement to sale
 - (D) Hire purchase
96. After sale the risk lies with :
- (A) Buyer
 - (B) Seller
 - (C) Both Buyer and Seller
 - (D) None of the above
97. Comparative Cost Trade Theory is given by :
- (A) Adam Smith
 - (B) David Ricardo
 - (C) Gottfried Haberler
 - (D) Heckscher-Ohlin
98. The Theory of Relative Factor Endowments is given by :
- (A) David Ricardo
 - (B) Adam Smith
 - (C) C. F. W. Taussig
 - (D) Ohlin and Heckscher
99. Which of the following is not the objective of the WTO ?
- (A) To improve the standard of living of peoples of the member countries
 - (B) To enlarge production and trade of goods
 - (C) To protect environment
 - (D) To improve the Balance of Payment situation of the member countries
100. Where is the headquarters of the WTO ?
- (A) New York
 - (B) Washington DC
 - (C) Geneva
 - (D) Austria

(Only for Rough Work)

4. Four alternative answers are mentioned for each question as—A, B, C & D in the booklet. The candidate has to choose the most correct/appropriate answer and mark the same in the OMR Answer-Sheet as per the direction :

Example :

Question :

Q. 1 (A) ☒ (C) (D)

Q. 2 (A) (B) ☒ (D)

Q. 3 (A) ☒ (C) (D)

Illegible answers with cutting and over-writing or half filled circle will be cancelled.

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager and cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Impt. : On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर—A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से एक सबसे सही अथवा सबसे उपयुक्त उत्तर छोटना है। उत्तर को OMR आन्सर-शीट में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

उदाहरण :

प्रश्न :

प्रश्न 1 (A) ☒ (C) (D)

प्रश्न 2 (A) (B) ☒ (D)

प्रश्न 3 (A) ☒ (C) (D)

अपठनीय उत्तर या ऐसे उत्तर जिन्हें काटा या बदला गया है, या गोले में आधा भरकर दिया गया, उन्हें निरस्त कर दिया जाएगा।

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका के अन्त में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैलकुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण : प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्न-पुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्न-पुस्तिका प्राप्त कर लें।