Q 5 From the following information relating to Modern Ltd , you are required to find the following. **(15)**

a) P/V Ratio
b) Break-even point in Rs and Units
c) Margin of safety
d) Sales to earn profit of Rs 6,000

Fixed cost	Rs 4,500
Variable cost	Rs 7,500
Sales	Rs 15,000
Units sold	5,000

Q 6 a) Explain the factors determining working capital requirements. **(10)**

b) What is Receivable Management ? Explain different aspects of Receivable Management. **(10)**

OR

Q 6 Write the short notes (**Any 4**) **(20)**

a) Cost sheet
b) Marketable securities
c) Break-Even-Analysis
d) Pay-back period
e) Importance of working capital
f) Cash budget

(2)

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Time: 3 hours Marks: 100

N.B. 1. All questions are compulsory.

2. Figures to the right indicate full marks.

3. Draw a neat diagram wherever necessary.

Q1 A. Choose the correct answer and rewrite the statement (Any Ten) 10

1. International trade will not take place under ______ cost difference.

   a) comparative b) absolute

   c) equal d) average

2. If $\frac{PK}{PL}\ USA < \frac{PK}{PL}\ India,$ India is _________country.

   a) Labour scarce b) Capital abundant

   c) Labour abundant d) Labour neutral

3. Reciprocal demand is expressed in terms of ________

   a) Cost curves b) Supply curves

   c) Offer curves d) Lorenz curve

4. The main objective of trade barriers is --------------.

   a) To increase employment b) To reduce unnecessary imports.

   c) To increase exports d) To increase imports

5. Imposition of tariff, raises domestic prices causing fall in consumption of domestic goods is ________ effect of tariffs.

   a) Productive effect b) Revenue effect

   c) Protective effect d) Transfer effect

6. Brexit is the name given to the departure of ________ from the European Union.

   a) Belgium b) Britain

   c) Poland c) Bulgaria

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7. Current account balance records all the receipts and payments for______

a) Only visible items b) Only invisible items

c) Both visible and invisible items d) Loans taken

8. Devaluation is --------------- adjustment in value of the currency of the country

a) Downward b) Upward

c) Vertical d) Neutral

9. WTO replaced ------- in 1995.

a) TRIPS b) TRIMs

c) GATT d) GATs

10. As per Purchasing Power Parity theory exchange rate is determined by comparing______

a) Prices b) Import

c) Purchasing power d) Export

11. Spot exchange rate is __________

a) Managed exchange rate b) Fixed exchange rate

c) Floating exchange rate d) Current exchange rate

12. Hedging function is about covering risk through________

a) Speculation b) Forward exchange.

c) Static exchange d) Backward exchange

Q.1. B) State whether the following statements are TRUE or FALSE (Any 10) **10**

1. According to modern theory, there is no need for a separate theory of international trade.
2. Jacob Viner developed the concept of Income terms of trade .
3. Equilibrium terms of trade are determined through offer curves.
4. Free trade leads to an increase in cost and inefficiency.
5. Specific duties are imposed on a fixed percentage of the value of imported goods.
6. India is a dialog partner of ASEAN.
7. Medium-term loans of a country are denoted in the Current account of BOP.
8. Exchange control is restricting the use of foreign currency.
9. TRIPs agreement covers intellectual property in case of geographical Identities.
10. Countries in the world are following a fixed exchange rate system.