T. 7. Brom. sem. I March. Dory

## Paper / Subject Code: 83013 / Business Economics VI

	[Time: 3 Hours]		[Marks: 100]
	Please check whether you have g	got the right question	on paper.
N.B:	1. All questions are compulsory.		
	2. Figures to the right indicate full marks.	Je of	
Q.1	A) Select the correct answer and rewrite th	ne statement (any t	en) 10
1.	is the basic cause of international t	rade according to D	avid Ricardo.
	a) Difference in comparative costs	b) Difference in	n availability of factor
	c) Difference in standard of living		Political background
2.	The concept of single factoral terms of trade v	was introduced by	
	a) Dorrance	b) Viner	
	c) Taussig	d) Keyne	
3.	The offer curve of a country denotes the offer	of its ag	ainst its imports.
	a) Exports	b) Imports	10
20	c) Capital	d) Donations	
4.	Imposition of tariffs on imports may make a c a) Unfavourable c) Zero	ountry's terms of tr b) Favourable d) Neutral	ade
5.	Which of the following is the argument for t	free trade?	
J.	a) Self-sufficiency	b) Infant indu	stry argument
	c) Promotes specialization	d) Anti-dump	
25	6 _ 10 = 114g56 — 176	3	
6.	What caused the Eurozone crisis?		41
	a) Political reasons	b) Debt cris	
	c) Investment crisis	d) Social cri	IS1S
7.	account of BOP records the exports and	d imports of goods o	only.
	a) Capital account	b) Current ac	count
	c) Trade account	d) Errors and	omissions
		200	
8.	Devaluation results in	120	
	a) Cheaper imports	b) Cheaper ex	ports
	c) Fall in exports	d) Rise in imp	orts
9.	Under WTO, TRIPs cover	į.	
	a) Foreign Investment	b) Foreign aid	
	c) Services	d) Patents	
	<i>5,</i> 56, 11665	d) I dicitis	

50033

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	10.		
		a) Hedgers b) Central banks	
		c) Bidders d) Speculators	
	11.	Foreign exchange is demanded for	
		a) Impots b) Exports	
		c) Exports of services d) Capital inflows	
	12	Flexible exchange rate system is also known as	
	14.	a) Fixed exchange rate system b) Neutral exchange rate system	
		c) Floating exchange rate system d) Pegged exchange rate system	
<b>B</b> )	Sta	te whether the following statements are True or False. (any ten)	10
	1.	Ricardo's theory of international trade neglects demand conditions.	
	2.	International trade will not occur in case of equal cost difference.	
	3,	The concept of reciprocal demand was introduced by Marshall.	
	4.	Tariffs are duties imposed on imports.	
	5.	Quotas increase the revenue for the Government.	
	6.	ASEAN is a growing hub of consumer demand.	
	7.	The current account balance records all long-term transactions of the country.	
	8.	Devaluation is the official lowering of value of a currency in terms of other currency.	
	9.	TRIMS ensures protection of intellectual property rights.	
	10.	Central banks and the commercial banks are the only dealers in the foreign exchange	
		market.	
	11.	Supply of foreign exchange is generated through exports.	
	12.	The central banks can influence the foreign exchange rate.	
		장보이 함께 보고 있다는 민준이는 다 선생님이 없었다. 그리고 그리고	
Q.	2 Aı	nswer any two of the following.	
	a.	Explain the Ricardian Comparative Cost Difference Theory of International Trade.	
	b.	Explain the concepts of i) Gross Barter terms of trade ii) Net Barter Terms of Trade a	nd
		iii) Income Terms of trade in detail.	
3	c.	Analyze the various gains from international trade.	

50033

Page 2 of 6

## Paper / Subject Code: 83013 / Business Economics VI

Q.3 A	Answer any two of the following.
a.	What is protection? Make a case for protection.
b.	Explain the different types of non-tariff barriers.
c.	What are the different effects of tariffs? Explain.
Q.4 A	answer any two of the following.
a.	What is the balance of payments? Explain the causes of disequilibrium in balance of
	payments.
b.	Explain monetary and nonmonetary measures to correct disequilibrium in balance of
	payments.
c.	Explain the important features of TRIPs under WTO.
Q.5 A	nswer any two of the following.
a.	Explain the functions and participants of foreign exchange market.
b.	How is the equilibrium rate of exchange determined? Explain.
c.	Explain the role of the central bank in foreign exchange rate management.
	선생님 그렇게 그렇게 그렇게 되었다. 그렇게 되었다. 그 그리
Q.6 W	Vrite short notes on any four of the following.
a.	Limitations of Modern Theory of International Trade
b.	Offer curves.
c.	Arguments for free trade
d.	Types of Economic Integration
e.	Structure of BOP
f.	Absolute version of purchasing power parity Theory
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