



B.Com. (Semester – V) (New Course) Examination, October 2015
INTERNATIONAL ECONOMICS

Duration : 2 Hours

Total Marks : 80

Instructions : i) *All questions are compulsory, however internal choice is available.*

ii) *Figures to the right indicate marks.*

iii) *Start each new question on a fresh page.*

iv) *Answer to question no. 3 to 6 must be of approximately 400 words each.*

1. Answer any four of the following in approximately 100 words each : 16
- i) How scale of production affects international trade ?
 - ii) What are countervailing duties in trade ?
 - iii) Any four gains arising out of international trade.
 - iv) Define Foreign Portfolio Investment.
 - v) What is licensing ?
 - vi) Relationship between FPI and exchange rates.
2. Answer any four of the following in approximately 100 words each : 16
- a) Structural disequilibrium in Balance of payments.
 - b) Four features of foreign exchange market.
 - c) What is the meaning of convertibility of rupee in capital account ?
 - d) What is managed floating ?
 - e) What is 'National Treatment' principle under WTO ?
 - f) What is regionalism in trade ?
3. a) What is Terms of Trade ? Explain different types of terms of trade used in International trade. 12

OR

- b) Differentiate free trade from protection. Explain any three protectionist measures adopted by countries in international trade. 12



4. a) Explain various determinants of Foreign Direct Investment (FDI) in a host country. 12
OR
b) Describe various entry modes adopted by the Multinational Corporations in international business. 12
 5. a) Explain different methods used to correct disequilibrium in Balance of Payment of a Country ? 12
OR
b) What are the different types of foreign exchange transactions carried out in foreign exchange markets ? 12
 6. a) Briefly explain the following trade agreements of WTO : 12
 i) TRIPs
 ii) GATS.
OR
b) Give five reasons for the growth of Regional Economic Cooperation in the world trading system. 12
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