



**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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