

Total No. of Printed Pages: 1

**T.Y.B.COM. Semester - V (Repeat) / One Time Opportunity
EXAMINATION OCTOBER 2019
International Economics**

[Duration : Two Hours]

[Max. Marks :80]

Instructions:-

- i. All questions are **compulsory**; however internal choice is available.
- ii. Answer sub-question in Question 1 and Questions 2 in **not** more than **100** words **each**.
- iii. Answer to Question 3 to Question 6 must be of approximately **400** words **each**.
- iv. Figures to the **right** indicate **maximum** marks assigned to the questions.
- v. Start **each** question on a **fresh** page.

1. Answer **any four** of the following in approximately **100** words each. **16**
 - i) Give two points of distinction between internal trade and international trade.
 - ii) Briefly explain the concept of income terms of trade.
 - iii) Explain two disadvantages of free trade policy.
 - iv) Write a brief note on Franchising.
 - v) State two determinants of Foreign Portfolio Investment (FPI).
 - vi) Define Joint Venture as an entry mode adopted by the Multinational Corporations.

2. Answer **any four** of the following in approximately **100** words each. **16**
 - i) Explain the current account of the Balance of Payments.
 - ii) Explain the concept of convertibility of Rupee on current account.
 - iii) List any two features of foreign exchange market.
 - iv) Write a note on Managed Floating Exchange rate system.
 - v) Write two principles of World Trade Organization (WTO)
 - vi) Write a short note on Multilateralism.

3. A) Explain four arguments in favour of Protectionism. **12**
OR
 B) What is meant by gains from trade? Explain five gains arising from international trade. **12**

4. A) Define Foreign Investment and explain Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI). **12**
OR
 B) Explain three determinants of Foreign Direct Investment in a country. **12**

5. A) What is disequilibrium in the Balance of Payments? Highlight any five causes of disequilibrium in the Balance of Payments. **12**
OR
 B) Explain in brief any three types of foreign exchange transactions taking place in the foreign exchange market. **12**

6. A) Briefly explain the General Agreement on Trade in Services (GATS) and Agreement on Trade Related Intellectual Property Rights (TRIPs). **12**
OR
 B) Explain any three forms of regional integration. **12**