



**B.Com. (Semester – V) Examination, October/November 2018**  
**INTERNATIONAL ECONOMICS**

Duration : 2 Hours

Total Marks : 80

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

1. Answer **any four** of the following in approximately **100 words each** : **16**
- i) Explain in brief two features of international trade.
  - ii) Explain in brief two factors influencing international trade.
  - iii) Define free trade policy and write two drawbacks.
  - iv) Briefly explain the concept of Foreign Portfolio Investment.
  - v) Write a note on Multinational Corporations.
  - vi) Explain the concept of Foreign Direct Investment.
2. Answer **any four** of the following in approximately **100 words each** : **16**
- i) Give any four features of foreign exchange market.
  - ii) Briefly explain two foreign exchange transactions in the foreign exchange market.
  - iii) Write a note on Exchange rate depreciation.
  - iv) Write two causes of disequilibrium in the balance of payments.
  - v) Briefly explain the concept of regionalism.
  - vi) Explain two objectives of World Trade Organisation (WTO).
3. A) Define terms of trade and explain three concepts of terms of trade. **12**
- OR
- B) Explain four Non-Tariff Barriers (NTBs) as protective devices. **12**

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4. A) Explain any three entry modes adopted by the multinational corporations. 12

OR

- B) Explain how the following factors determine Foreign Direct Investment (FDI) in the modern economies :

- i) Market size
- ii) Resources
- iii) Economic and Business Environment.

12

5. A) Briefly explain the components of current account and capital account of the Balance of Payments. 12

OR

- B) Explain in brief six factors influencing rates of exchange. 12

6. A) Explain any two agreements of the World Trade Organisation (WTO). 12

OR

- B) Explain in brief any six reasons responsible for the growth of regional economic co-operation. 12

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