



B.Com. (Semester – V) Examination, April 2016
BUSINESS ECONOMICS
International Trade and Finance
(Old Course)

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) **All questions are compulsory, however internal choice is available.**
2) **Figures to the right indicate maximum marks.**
3) **Start each question on a fresh page.**
4) **Answers to questions 3 to 6 must be approximately 400 words each.**

1. Answer **any four** of the following in approximately **400** words :

16

- Explain any four features of internal trade.
- Write a note on gross barter terms of trade.
- Describe the functions of foreign exchange market.
- Distinguish between speculation and arbitrage.
- Explain any four demerits of flexible exchange rate.
- Describe any four participants of foreign exchange market.

2. Answer **any four** of the following in approximately **400** words :

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- Differentiate between balance of trade and balance of payments.
- Explain the components of current account of the balance of payments.
- Explain features of the balance of payments.
- Write a note on impact of tariffs on a country.
- What are the objectives of exchange control ?
- Explain the objectives of using import quotas as a protective device.



3. a) What is the meaning of terms of trade ? Explain any five factors influencing terms of trade. 12
- OR
- b) Explain the gains enjoyed by countries on account of international trade. 12
4. a) Examine the factors governing foreign exchange rate. 12
- OR
- b) What is fixed exchange rate ? Describe argument for and against fixed exchange rate system. 12
5. a) What is meant by disequilibrium in balance of payments ? Explain the various types of disequilibrium in balance of payments. 12
- OR
- b) Explain briefly the different measures to correct disequilibrium balance of payments. 12
6. a) Outline and explain various arguments in favor and against free trade policy. 12
- OR
- b) Explain the following protective devices : 12
- i) Voluntary export restraints.
 - ii) Health and safety standards.
 - iii) Local content requirement.
 - iv) Subsidies.