



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