

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