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B.A. (Semester -VI) Examination, April/May 2018
ECONOMICS
International Trade and Finance – II (Paper – VIII)

Duration : 2 Hours

Total Marks : 80

- Instructions :**
- i) **All** questions are **compulsory**, however **internal choice** is available.
 - ii) Answer question **1** and **2** in **not** more than **100** words.
 - iii) Answer questions **3** to **6** in not more than **400** words **each**.
 - iv) Figures to the **right** indicate maximum marks.

Answer **any four** of the following : (4×4=16)

- i) Briefly explain the components of the current account of the balance of payment.
- ii) State and explain any two participants in the Foreign Exchange Market.
- iii) What is balance of payments ?
- iv) Write a short note on the Liberalised Exchange Rate Management System.
- v) Examine briefly how devaluation can correct an imbalance in the balance of payment.
- vi) Summarise the purchasing power parity theory of balance of payments.

Answer **any four** of the following : (4×4=16)

- i) Explain any four welfare effects of the international capital flows.
- ii) State any four objectives of regional economic integration.
- iii) Write a short note on GATS.
- iv) Highlight the merits of multinational corporations.
- v) Explain any four functions of the IMF.
- vi) What is brain drain ? Enumerate its merits.

P.T.O.

3. A) Explain balance and equilibrium in the balance of payment.

OR

B) Examine any six causes of disequilibrium in the balance of payment.

4. A) Describe the functions of the Foreign Exchange Market.

OR

B) Explain flexible exchange rate system and enumerate any five merits.

5. A) Examine any six factors influencing international capital flows.

OR

B) Illustrate the different types of migration.

6. A) What is economic integration ? Outline its objectives.

OR

B) Write an explanatory note on India and WTO.