

PARUL UNIVERSITY
FACULTY OF ARTS
B.Arts Summer 2018 – 19 Examination

Semester: 4

Subject Code: 15101280

Subject Name: Global Economy

Date: 15/04/2019

Time: 2.00 pm to 4.30 pm

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**(08)****A. Multiple choice type questions. (Each of 0.5 mark)**

1. What do we mean by “Local Trade”?

a) Trade done within the region	c) Trade done within+outside the region
b) Trade done outside the region	d) None of the above
2. Which one of the following terms is “not” related to the term “Goods”?

a) Products	c) Services
b) Commodities	d) Items produced by the producers and brought by the consumers
3. Which among the following is “true” for the “level” of “poverty” prevalent in a “Developing Countries”?

a) Low level	c) No existence of Poverty
b) High Level	d) Extreme reduction in the level of it
4. What is the “activity” of the “selling” of various “goods and services” to other countries called as?

a) Importing	c) Procuring
b) Processing	d) Exporting
5. What is the “system” in which the various “domestic” as well “foreign currencies” traded called as?

a) Foreign Exchange System	c) Spot Exchange System
b) Purchasing Power Parity System	d) Forward Exchange System
6. What is the “full form” of the “PPP Concept”?

a) Paying Problem Index	c) Poverty Parity Policy
b) Purchasing Power Parity	d) Per Capita Income
7. Which of the following is the “foreign exchange system” in which the “exchange rate” remains “fixed”?

a) Flexible System	c) Speculation
b) Hedging	d) Fixed System
8. Which one of the following is “related” to the “terms” used for “storing something for the future use”?

a) Buying	c) Reserves
b) Demand	d) Supply
9. Which of the following is “not” part of the “goals” of the “World Bank”?
 - a) Promotion of Foreign Investment
 - b) International Trade Promotion
 - c) Not providing financial aid to countries
 - d) Carry out International Agreements with various countries
10. Which “one” of the following is the “full form” of “IMF”?
 - a) International Multiplier Finance
 - b) International Monetary Fund
 - c) Inter Market Fiscal
 - d) Intra Medium Funding

11. Which of the following refers to the financial institution where functions such as depositing of money, cheques, taking of loan etc takes place?
 - a) Stock Market
 - b) United Nations Development Council
 - c) Banks
 - d) Trade Organizations
12. Which of the following is related to the “location” of the “Regional Development Banks”?
 - a) Within the specific region
 - b) Outside the specific region
 - c) Within as well as outside the region
 - d) None of the above
13. What is the “tax amount” for the “Government”?
 - a) Expenditure
 - b) Income
 - c) Investment
 - d) Spending Money
14. Which of the following is “not” related to the “features” of “NAFTA”?
 - a) Eliminate the barriers to trade
 - b) Promote fair competition in export and import
 - c) Promote investment opportunities like FDI
 - d) Charging high taxes on the imports of goods and services
15. Which of the following is “not” part of the “forms” of “Tax”?
 - a) Income Tax
 - b) Service Tax
 - c) Agricultural Tax
 - d) GST (Goods and Service Tax)
16. Which type of “organization” is “European union”?
 - a) National Organization
 - b) International Organization
 - c) Domestic Organization
 - d) Local Organization

B. Terms/ Short notes/ Case study/ Charts/ Graphs/ Tables, etc. (Each of 01 mark) (07)

1. Define the term “International Trade”.
2. What do we understand by foreign exchange system? State it.
3. State the meaning of “Developing Countries”.
4. Give any one example of the type of tax.
5. What is “SAFTA” as an organization? State it.
6. Define the term Globalization.
7. Give any one “example” of a “service” provided by the sellers to the customers.

Q.2 Answer the following.

- A. The “International Trade” has grown over the years. Explain the main “features” related to the growth in this activity. (04)
- B. There are some “differences” between “fixed” and “flexible foreign exchange systems”. Explain the main differences between them. (04)
- C. The “UNCTAD” is one of the important organizations. Explain the main features of this organization. (04)

OR

- C. Explain the main features of “Regional Development Banks”. (04)

Q.3 Answer the following.

- A. Describe about the role of “NAFTA” as an organization. (05)
- B. The “Tax Heavens” is one of the important concepts related to the tax system in a country. Describe the distinct features with respect to this concept. (05)
- C. The activity of Globalization has increased in the recent years. Elaborate on the salient features related to the impact of it on the countries. (05)

OR

- C. Explain the main features of the “World Bank Organization”. (05)

Q.4 Answer the following.

- A. Explain the main features with respect to the “PPP” (Purchasing Power Parity) Concept. (06)
 - B. Describe the consequences of trade liberalization that has taken place during the economic reforms. (06)
 - C. Describe the main features of “IMF Organization”. (06)
- OR**
- C. Explain the characteristics of “European Union”. (06)