

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Summer 2017 – 18 Examination

Semester: 4
Subject Code: 16100254
Subject Name: International Economics

Date: 15/05/2018
Time: 10.30 am to 1.00 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.**A) Multiple choice type questions. (Each of one mark)****(06)**

1. An economy with a long history of extensive barriers to trade decision to switch to totally free trade
 - a) Consumer Surplus
 - b) Government Revenue
 - c) Inflationary Pleasure
 - d) Profit and all domestic companies
2. Dumping refers to:
 - a) Buying goods at low prices abroad and selling at higher prices locally
 - b) Expensive goods selling for low prices
 - c) Reducing tariffs
 - d) Sale of goods abroad at low a price, below their cost and price in home market
3. International trade and domestic trade differ because of
 - a) Trade restrictions
 - b) Immobility of factors
 - c) Different government policies
 - d) All of the above
4. Terms of trade of developing countries are generally unfavourable because
 - a) Ratio of goods exported and imported
 - b) Ratio of import duties
 - c) Ratio of prices of exports and imports
 - d) (a) and (c) of above
5. Govt. policy about exports and imports is called
 - a) Monetary policy
 - b) Fiscal policy
 - c) Commercial policy
 - d) Finance policy
6. "Terms of trade" between two countries refer to a ratio of
 - a) Export prices to import prices
 - b) Currency values
 - c) Exports to imports
 - d) Balance of trade to balance of payments

B) Definitions / One-liners / Terms. (Each of one mark)**(06)**

1. Export Subsidy
2. International Economics
3. Terms of Trade
4. GATT
5. Power Parity Theory
6. Balance of Payments

Q.2 Short Note Questions. (Each of 04 mark)**(12)**

1. Single Factorial Terms of Trade
2. Functions and working of: GATT
3. Structure of Balance of Payment

Q.3 Answer the following. (Any Three)**(18)**

1. Management of Foreign Exchange
2. Distinguish between tariff and non tariff.
3. Role of International Trade in Economic Growth
4. Functions of WTO

Q.4 Answer the following. (Any two)**(18)**

- 1 Advantages & Disadvantages of Foreign Exchange Market
2. Free Trade Policy Meaning, Arguments for and against
3. Functions of Standards and technical regulation