

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Summer 2018 – 19 Examination

Semester: 4

Subject Code: 16100254

Subject Name: International Economics

Date: 09/04/2019

Time: 10:30am to 1:00pm

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. The economy that does not engage in International Trade is called _____
 - a) Open Economy
 - b) Partial Economy
 - c) Closed Economy
 - d) None of the above
2. Any item that enables a country to acquire foreign currency is recorded on _____ side.
 - a) Debit
 - b) Credit
3. A fall in the external purchasing power or external value of Rupee amounts to _____ of the Indian Rupee.
 - a) Depreciate
 - b) Appreciate
 - c) Devalue
 - d) None of the above
4. When was IMF formed?
 - a) 4 June, 1993
 - b) 10 October, 1993
 - c) 26 January, 1997
 - d) 7 July, 1994
5. When was WTO officially Constituted?
 - a) 11th September, 1992
 - b) 20th February, 1997
 - c) 1st January, 1995.
 - d) 2nd April, 1996
6. India is a founder member of IMF.
 - a) True
 - b) False

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

1. Define International Trade.
2. Define Balance of Payments.
3. What is free trade policy?
4. Define Foreign Exchange Rate.
5. Define International Cartels.
6. What is GATT?

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

1. Discuss any five arguments in favour of protection policy.
2. Write a note on functions of IMF.
3. Discuss any Four measures to correct disequilibrium in BOP.

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

1. What do you understand by balance of payments? Explain various components of balance of payment.
2. Discuss the causes of Adverse Balance of Payments.
3. What is World Bank? Discuss the structure of World Bank.
4. Along with diagram discuss the effects of tariff in a small country.

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

1. Discuss the merits and demerits of international trade.
2. Discuss the Demand-Supply Approach **OR** BOP Approach of Foreign Exchange along with diagrams.
3. What is WTO? Discuss the structure and Functions of WTO.