

1036

B.Com. (Hons.) Third Year
Business Economics

Paper – II [Opt. (i)]: International Trade and Foreign Exchange

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section–A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

I. Attempt the following:-

- a) What are the objectives of WTO?
- b) Define foreign trade multiplier.
- c) Explain terms of trade.
- d) Differentiate direct and indirect rate quotations.
- e) What are interbank deals? Explain.
- f) What are spot and forward rates?

(4x5)

Section – B

- II. Discuss Heckscher-Ohlin Model of International Trade. How is it different from Ricardian Model of International trade? (15)
- III. Discuss various type of tariff and non-tariff barriers of international trade. (15)
- IV. What is International Monetary Fund? What are the qualifications to become a member of it? Discuss various functions of International Monetary Fund. (15)
- V. Define Balance of Payment. Discuss various components of Balance of Payment statements. (15)

Section – C

- VI. What do you mean by Foreign Exchange Market? Discuss functions of Foreign Exchange Market. (15)
- VII. Discuss various factors affecting the foreign exchange rates. (15)
- VIII. Discuss the Foreign exchange regulation mechanism in India. (15)
- IX. Write a short note on the following:-
 - a) Fixed and floating exchange rates
 - b) Purchasing power parity theory of exchange rate

(2x7½)

x-x-x