



VED – 03

B.Com. (Sem. – V) Examination, October 2012
BUSINESS ECONOMICS – INTERNATIONAL TRADE AND FINANCE

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) **All** questions are **compulsory**, however internal choice is available.
2) Figures to the **right** indicate **maximum** marks.
3) Start **each** question on a **fresh page**.
4) Answer to questions **3 to 6** must be of approximately **400 words each**.

1. Answer **any four** of the following in approximately **100** words. 16
- Define international trade.
 - Explain the concept of net barter terms of trade.
 - Give any two merits of fixed rate of exchange.
 - Write a note on Arbitrage.
 - What is hedging ?
 - Write a note on role of multinational companies.
2. Answer **any four** of the following in approximately **100** words. 16
- Define disequilibrium in BOP.
 - Give any two distinctions between monetary and non monetary measures.
 - Write a note on cyclical disequilibrium.
 - What is free trade ?
 - Write a note on WTO.
 - Give any two types of tariffs.
3. i) Write a note on factors influencing international trade. 12
- OR
- ii) Write a note on types of gains in the international trade.

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4. i) State and explain the features of foreign exchange market. 12

OR

ii) Describe any four transactions taking place in foreign exchange market.

5. State and explain the structure of (BOP) Balance of Payments. 12

OR

Write a note on types of disequilibrium in balance of payments.

6. Explain in brief the arguments in favour of protection policy. 12

OR

What are the advantages of free trade policy ?