



SRN – 03

B.Com. (Semester – V) Examination, October 2013
BUSINESS ECONOMICS
International Trade and Finance

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) **All questions are compulsory.**
2) **Figures to the right indicate full marks assigned to the question.**
3) **Answer question number 3 to 6 in approximately 400 words.**

1. Write short notes (in approximately **100 words each**) on **any four** : **(4×4=16)**
- Net barter or commodity terms of trade
 - Multinational companies as factors governing international trade
 - Any two features of foreign exchange market
 - Any two merits or advantages of flexible exchange rates
 - Forward transactions in the foreign exchange market
 - Any two participants in the foreign exchange market.
2. Write short notes (in approximately **100 words each**) on **any four** : **(4×4=16)**
- Import substitution as a measure to correct balance of payment disequilibrium
 - Any two objectives of world trade organisation
 - The concept of balance of trade
 - Tariffs as a protective device
 - Infant industry argument of protection
 - Current account of balance of payment.
3. a) Describe the factors responsible for unfavourable terms of trade for the developing countries. **12**

OR

- b) Differentiate between internal and international trade.

P.T.O.



4. a) Define fixed exchange rate system. Explain its merits and demerits. 12

OR

b) Explain the meaning and functions of foreign exchange market.

5. a) Write an explanatory note on the different types of disequilibrium in the balance of payment. 12

OR

b) Describe the monetary measures to correct balance of payment disequilibrium.

6. a) Analyse the various arguments for and against free trade policy. 12

OR

b) What are the non-traditional non tariff barriers to international trade ? Elaborate.