

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION MAY 2024
(Fifth Semester)

Branch – COMMERCE

INTERNATIONAL TRADE

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks. (5 x 1 = 5)

- 1 Which aspect of international trade involves the exchange of expertise and knowledge rather than physical products?
(i) Merchandise trade (ii) Trade in services
(iii) Global sourcing (iv) Bilateral trade
- 2 When did the Indo-Lanka Free Trade Agreement (ILFTA) come into effect?
(i) 1998 (ii) 2000
(iii) 2010 (iv) 2020
- 3 What are the two main components of the Balance of Payments?
(i) Imports and Exports (ii) Imports and Exports
(iii) Current Account and Capital Account (iv) Inflation and Deflation
- 4 What is the Euro Currency Market primarily used for?
(i) Trading stocks and bonds in euros
(ii) Lending and borrowing foreign currency deposits
(iii) Regulating European stock exchanges
(iv) Facilitating trade within the European Union
- 5 What characterizes the "Export Expansion" stage of globalization?
(i) Companies prioritize global integration.
(ii) MNCs invest heavily in technology.
(iii) Companies primarily operate within their home country.
(iv) MNCs establish export-oriented strategies

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Bring out trade in services in international trade.
OR
b Summarize the primary idea of the Absolute Cost Theory.
- 7 a. Describe the Indo- Lanka Free trade agreement Economic cooperation.
OR
b. Explain the difference between tariffs and quotas as trade barriers.
- 8 a. Explain the concept of the Current Account in the Balance of Payments.
OR
b. Explain the significance of bilateral agreements in pre-Bretton Woods era.
OR
- 9 a. Explain the significance of the Euro Currency Market. What led to the creation of the euro as a common currency?
OR
b. Explain the primary functions of the Asian Development Bank (ADB).
- 10 a. Explain the concept of Foreign Direct Investment (FDI) and provide an example of an FDI scenario.
OR
b How does political stability contribute to the conditions necessary for globalization?

Cont...

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 6 = 30)

- 11 a Highlight key importance of global sourcing.
OR
b Point out Gain from international trade.
- 12 a Discuss the role of innovation and technological progress in the argument for free trade.
OR
b Summarize the challenges currently facing the European Union.
- 13 a Discuss some challenges and limitations associated with commodity agreements.
OR
b Classify the concept of currency unions, using the Eurozone as an example.
- 14 a Differentiate between the spot exchange rate and the forward exchange rate. Provide examples to illustrate the difference.
OR
b. Discuss the key functions of the World Trade Organization (WTO) in international trade.
- 15 a Examine how MNCs contribute to market expansion and competition. Provide an example.
OR
b Discuss the role of Indian professionals in the global workforce and the factors contributing to their prominence.

Z-Z-Z

END