

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2019  
(Second Semester)

Branch - COMMERCE (FOREIGN TRADE)

**FUNDAMENTALS OF INTERNATIONAL TRADE**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks!)**

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 Which of the following in International Trade?  
(i) Trade between provinces (ii) Trade between regions  
(iii) Trade between countries (iv) Trade between industries
- 2 The theory of comparative advantage was presented by  
(i) Adam Smith (ii) Ricardo  
(iii) Hicks (iv) Arshad
- 3 A Tariff  
(i) Increases the volume of trade (ii) Reduces the volume of trade  
(iii) Has no effect on volume of trade (iv) limit on the amount of imported goods
- 4 Dumping refers to  
(i) buying goods at low prices abroad and selling at higher prices locally  
(ii) Expensive goods selling for low prices  
(iii) Reducing tariffs  
(iv) Sale of goods abroad at low a price, below their cost and price in home market
- 5 Balance of Payments means  
(i) The balance of receipts and payments of all banks  
(ii) The balance of receipts and payments of state Bank  
(iii) The balance of receipts and payments exchange by a country  
(iv) The balance of govt, receipts and payments
- 6 A positive, dynamic effect of economic integration is illustrated by  
(i) trade diversion effect (ii) increased monopoly power of firms  
(iii) decreased customs costs (iv) economy-of-scale effect
- 7 SAFTA refers to  
(i) South Asia Free Trade Agreement  
(ii) South Asia Foreign Trade Agreement  
(iii) South Asia Framework Trade Agreement  
(iv) South Asia Foreign Tariff Agreement
- 8 NAFTA came into effect in the year  
(i) 1990 (ii) 1994  
(iii) 1998 (iv) 2004
- 9 HRM as practiced by multinational Organisations is called  
(i) Global HRM (ii) Personnel Management Practices  
(iii) Domestic HRM (iv) International HRM
- 10 The \_\_\_\_\_ staffing policy that seeks the best people for key jobs throughout the organization.  
(i) Intercentric (ii) Ethnocentric  
(iii) Geocentric (iv) Polycentric

**SECTION - B (35 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks ( 5 x 7 = 35)

- 11 a State any five features of International Trade.  
OR  
b Differentiate between Domestic Trade and International Trade.
- 12 a Outline the advantages of Free Trade.  
OR  
b Explain are the various types of tariffs.
- 13 a Write short notes on Balance of Payments.  
OR  
b Describe the export promotion measures.
- 14 a State the need for International Economic Integration.  
OR  
b Write short notes on EFTA.
- 15 a Sketch the International Organisation Structure.  
OR  
b Bring out any five determinants of International Staffing Policy.

**SECTION - C 130 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Examine the barriers in International Trade.
- 17 Analyse about various Anti-Dumping measures.
- 18 Discuss the types of Disequilibrium and analyse its causes.
- 19 Analyse the impact of Association of South East Asian Nations.
- 20 Elucidate the factors affecting International Human Resource Management.

Z-Z-Z

END