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4 (Sem – 5) INTR

2018

INTERNATIONAL TRADE

Paper : 5'5

(Finance Major)

Full Marks – 80

Pass Marks – 24

Time – Three hours

The figures in the margin indicate full marks for the questions.

1. (A) Select the most appropriate answer from the choices given against each question :
1×5=5
- (i) states that, lack of resources often help countries to become competitive.
- (a) Competitive theory
 - (b) Porters Diamond Model
 - (c) Mercantilism theory
 - (d) Product life cycle theory

[Turn over

(ii) Quantitative restrictions refer to the limit set by countries to curb

- (a) Imports
- (b) Exports
- (c) Import and exports
- (d) None of the above

(iii) Which of the following is an example of Greenfield Investment ?

- (a) Investment by a domestic company in the pasture land.
- (b) Investment by a domestic company in shares and debentures Real Estate Company.
- (c) Investment made by foreign company in setting up a new company in the host country.
- (d) Both (a) and (b)

(iv) "Product life cycle theory states that an exporting country of a particular product can become an importing country during the product cycle of a product." —This statement is

- (a) True
- (b) False

(v) World Bank came into existence in the year

- (a) 1944
- (b) 1947
- (c) 1945
- (d) 1946

(B) Answer the following in one sentence each : 1×5=5

- (i) State the meaning of "Terms of Trade".
- (ii) Define "Bill of lading".
- (iii) Write the full form of ASEAN.
- (iv) What is Trade in Service ?
- (v) What is Exchange Rate ?

2. Answer the following questions in about 50 words each : $2 \times 5 = 10$

- (a) What do you mean by Hull Insurance ?
- (b) Outline two criticism of Purchasing Power Parity theory.
- (c) What is Ad Valorem Tariff ?
- (d) Write the meaning of "Nostro Account".
- (e) What do you understand by Regional Trade Agreement (RTA) ?

3. Answer any *four* of the following in about 150 words each : $5 \times 4 = 20$

- (a) Discuss the functions of UNCTAD.
- (b) Explain the basic difference between International trade and Domestic trade.
- (c) Write a note on Most Favoured Nation (MFN).
- (d) State the demerits of Foreign Exchange Control.
- (e) Explain gains from International Trade.

(f) Write a note on clearing and forwarding of cargo.

(g) Write a note on Special Economic Zone (SEZ).

4. Answer the following in about 600 words each : $10 \times 4 = 40$

(a) State the objectives of forming Trading Block. How do trading block helps in promoting International Trade ? – Discuss. $5 + 5 = 10$

Or

Explain the Heckscher-Ohlin theory along with the criticism. $5 + 5 = 10$

(b) Point out some of the popular non-tariff barriers functioning in International Trade. 10

Or

Give a brief account of various agencies which are helping in International Trade. 10

(c) What is WTO ? Explain the main features of WTO. $3 + 7 = 10$

Or

Enumerate the procedure of exporting goods to foreign country. 10

- (d) Does Purchasing Power Parity theory explain the exchange rate ? Discuss in brief. 10

Or

What are the various customs formalities in India for the clearance of goods and also what are the documents required for the clearance of goods ? 6+4=10