

Total No. of printed pages = 6

4 (Sem-5) INTR

2016

INTERNATIONAL TRADE

(Major)

Paper : 5.5

Full Marks – 80

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) Which of the following is attributed with
the foundation of international trade ?
- (a) Robinson
 - (b) David Ricardo
 - (c) Joseph Stiglitz
 - (d) A. T. Kearney

[Turn over

(ii) Present export-import policy relates to which of the following ?

- (a) 2012 – 2016
- (b) 2014 – 2019
- (c) 2016 – 2020
- (d) 2012 – 2017

(iii) Which of the following is a feature of customs union ?

- (a) Factor mobility.
- (b) No internal tariff plus common external tariff.
- (c) Trade disputes are settled mutually common interest.
- (d) Restricted movement of goods and services.

(iv) Which of the following is an example of Greenfield investment ?

- (a) Investment by a domestic company in the pasture land.
- (b) Investment by a foreign company in shares and debentures of a domestic real estate company.

(c) Investment made by foreign company in setting up a new company in the host country.

(d) Both (a) and (c)

(v) Free trade agreement means :

- (a) To abolish all tariff between member countries.
- (b) To abolish all tariff and non-tariff barrier among most favoured nation.
- (c) Selective entry of goods and workers in mutually agreed countries.
- (d) Trade done among the nation in respect of precious metals and crude oil only.

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

- (i) State the meaning of terms of trade.
- (ii) State the meaning of "ask rate" in respect of foreign exchange management.
- (iii) State the meaning of 'trade in service.'
- (iv) State the major component of Indian export item.
- (v) The abbreviation UNCTAD stands for.

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

- (a) What do you mean by 'Letter of credit' ?
- (b) Write the meaning of 'Duty drawback'.
- (c) State the meaning of TRIPS.
- (d) What is economic integration ?
- (e) State the meaning of 'tariff' in international trade.

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

- (a) Write a short note on 'Duty Entitlement Pass Book.'
- (b) Briefly discuss direct and indirect quotation in exchange rate.
- (c) Discuss the gains from international trade.
- (d) Write a note on trade related 'intellectual property right' under WTO regime.
- (e) Write a short note on effective rate of tariff and optimum rate of tariff.
- (f) Discuss the objective of Regional Trade Arrangement (RTA).

4. Answer the following in about 400 words each : $10 \times 4 = 40$

- (a) Critically explain comparative cost theory of international trade. 10

Or

Explain the Heckscher-Ohlin theory of relative factor endowment in international trade. 10

- (b) Discuss the role of Export-Import Bank of India (EXIM Bank) in promotion of export trade of the country. 10

Or

Give an account of international trade environment. Discuss in this context the priorities laid by Government of India in different global forum in recent period. 10

- (c) What is meant by fixed and flexible exchange rate system ? State its merits and demerits. 10

Or

Explain purchasing power parity theory. Discuss its limitation. 10

(d) Discuss the different trading blocks formed in Asia in which India is interested in respect of its international trade. 10

Or

Discuss the role played by WTO in settlement of trade dispute among the member nations. 10