ROYAL COLLEE OF ARTS SCIENCE AND COMMERCE

TYBA ECONOMICS 2019-2020

SAMPLE QUESTIONS

PAPER-XVIII

INTERNATIONAL TRADE, POLICY AND PRACTICE

1.	and	_ are regarded as immo	bile between countries while they are perfectly		
	mobile within a country.				
	a) land and entrepreneur		b) land and capital		
	c) labour and capital		d) capital and entrepreneur		
2.	According to the Marsh	all-Lerner condition, de	valuation shall improve the trade balance of a		
	country provided the su	m of elasticity's of dem	and for a country's exports and of its demand for		
	import is-				
	a) between one and two		b) two		
	c) greater than two		d) less than one		
3.	The forward market in foreign exchange is a market of-				
	a) short run		b) long run		
	c) both short and long run		d) spot		
4.	increases th	ne productivity of natior	ns factor of production and has the same general		
	effect on nations production possibility curve.				
	a) dynamic factor		b) factor endowment		
	c) static factor		d) technological progress		
5.	At present in India there	exchange	e regime.		
	a) fixed		b) zero based		
	c) flexible		d) managed		
6.	The first ministerial all conference was held at				
	a) Switzerland		b) Singapore		
	c) Philippines		d) Hong Kong		
7.	The and NAFTA appeared to succeed in stimulating interregional trade and				
	investment flows in 199	0s.			
	a) GATT		b) EU		
	c) GATS		d) WTO		
8.	Who is the head of the staff in chairperson of the executive board?				
	a) board of director		b) CEO		
	c) managing director		d) CFO		
9.	The traditionally finances all kinds of capital infrastructure.				
	a) AIB		b) ADB		
	c) IMF		d) World Bank		
10	exchange rate	is the current exchang	e rate between the two currencies.		
	a) fixed		b) forward		
	c) flexible		d) spot		

11 investments occur when a	parent company begins a new venture by	y constructing
new facilities in a country outside where	the firm is headquartered.	
a) Brownfield	b) Whitefield	
c) Greenfield	d) Financial	
12. Interest rates should be to	prevent wide fluctuations in interest payr	nents.
a) high	b) constant	
c) low	d) capped	
13. An equity investment by non residents s	hould be less than or equal to c	of capital in a
company is portfolio investment.		
a) 7%	b) 20%	
c) 10%	d) 5%	
14. When there is an increase in a nation's	supply of factors of production and / or te	chnical
progress, the nation's curve	shifts outward.	
a) production possibility	b) supply	
c) demand	d) iso-quant	
15. The new model of bilateral investment tr	eaty became effective from	
a) 2015	b) 2017	
c) 2016	d) 2018	
16. The two very sensitive issues from the p	oint of view of the developing countries a	are the issues
relating to-		
a) labour and capital	b) labour standards and capital	
c)l abour and entrepreneurs	d) labour standards and environn	nent
17. Which of these institutions is not a part of		
a) WTO	b) IFC	
c) IDA	d) IBRD	
18. What is the correct sequence of the follo	owing?	
 Uruguay round talks 		
WTOs Seattle meet		
3. Establishment of GATT		
Select the correct answer using the	ne codes given below:	
a) 1,2,3	c) 3,2,1	
b) 3,1,2	d) 2,3,1	
19. The supreme authority of WTO is-		
a) disputement settlement body	b) ministerial conference	
c) General council	d) director general	
20. When inflation rises, the purchasing pow	ver of the currency is	
a) constant	b) reduced	
c) remains unaffected	d) increased	
o, remains analicoled	u) introductu	

21.Import quota is a/an-					
a) Tariff	b) Non tariff trade barrier				
c) Concession	d) International obligation				
22. Which of the following is an economic consequences of protection-					
a) distributional consequences	b) Investment consequences				
c) Consumption consequences	d) Production consequences				
23. Models of comparative advantage are based of					
a) increasing	b) decreasing				
c) constant	d) zero				
24 is a network between a company and	d its suppliers to produce and distribute a specific				
product.					
a) Supply Chain	b) Distributer				
c) Logistics	d) Franchise				
25. ASEAN was formed in	,				
a) 1067	b) 1945				
c) 1995	d) 2000				
26. Outsourcing deals involve contracts	•				
a) biannually	b) annually				
c) three years	d) multi-year				
27. Arrange the stages of business process outso	•				
(i) contract development	(ii) outsourcing governance				
(iii) evaluation and selection	(iv) strategic thinking				
Codes:	()				
a) ii, iv, i, iii					
b) iv, iii, i, ii					
c) iii, ii, iv, i					
d) i, ii, iii, iv					
28. Trade Policy is also sometimes referred to as	Policy				
a) Commercial	b) Protection				
c) Private	d) Monetary				
29. A tariff on an imported goods the price re	•				
a) Raises	b) Declines				
c) Remains constant	d) has no effect				
30. A free trade area is a trade bloc where	3, 1.30 1.5 3.1531				
a) countries agree to reduce or eliminate tariff	barriers on all goods imported from other				
member nations.					
	barriers on selected goods imported from other				
b) countries agree to reduce or eliminate tariff barriers on selected goods imported from other member nations.					
c) countries agree to have a common unified tariff against non-members.					
d) all barriers are eliminated to allow free movement of goods, services, capital and labour.					
d) all barriers are eliminated to allow free move	-				
•	-				
31. An international trade is a trade between	ement of goods, services, capital and labour.				
31. An international trade is a trade between a) two states	ement of goods, services, capital and labour. b) two people				
31. An international trade is a trade between	ement of goods, services, capital and labour. b) two people d) two region				

- b) between the countries
- c) both within and between the countries
- d) perfect mobility
- 33. Protectionist policy
 - a) Encourages international specialization
 - b) Promotes global production
 - c) Helps prevent dumping
 - d) Reduces government intervention in trade
- 34. Match the columns:
 - 1) Mutual Interdependence
 - 2) Factor Intensity
 - 3) Factor Abundance
 - 4) Law Commodity Price
 - 5) Leontief Paradox

- a) Factor ratios
- b) Basis of international trade
- c) Negates H.O theory
- d) Low factor price
- e) Multi-market theory
- f) General Equilibrium
- 35. The reduction in domestic consumption due to imposition of quota results in
 - a) increase in government revenue
 - b) increase in consumer's surplus
 - c) loss of social welfare
 - d) increase in social welfare
- 36. An offer curve
 - a) differs from an usual demand curve only
 - b) differs from an usual supply curve only
 - c) differs from both usual demand and supply curves
- 37. The gain from trade is maximum if the international terms of the trade are
 - a) nearer to the domestic terms of trade of importing country
 - b) nearer to the internal terms of trade of trading partner
 - c) equal to exporting country
 - d) equal to importing country
- 38. Reciprocal demand is
 - a) mutual demand of two countries to each other's goods
 - b) mutual supply
 - c) price of exports and imports
 - d) direct demand
- 39. The developing countries, it is argued, usually
 - a) enjoy favourable terms of trade
 - b) suffer from adverse terms of trade
 - c) have better income terms of trade
 - d) enjoy unfavourable terms of trade
- 40. According to H.O. theory the international trade takes place due to the difference in
 - a) labour efficiency
 - b) difference in product price
 - c) better technology
 - d) factor intensity

41	. The theory of demographic transition explains					
	a) effects of changes in birth and death rate on	the gr	owth rate of population			
	b) effects of changes in economic growth of the	coun	try			
	c) effects of changes in death rate on the growt	h rate	of population			
	d) effects of changes in fertility rate.					
42	. The theory of demographic transition Pro found	ed by	W. S. Thomson and F. W. Notestein has			
	a) 4 stages	,	b) 5 stages			
	c) 3 stages		d) 2 stages			
43	. What are the determinants of population growth	1?	1, = 1.1.g			
. •	a) birth date, death rate and migration					
	b) birth rate and death rate					
	c) fertility and socio-economic conditions					
	d) employment and wages					
44	Fertility is defined as-					
	a) average number of children that would be bo	rn to a	a woman if she experiences the current			
	fertility pattern		a weman is one expensioned the current			
	b) total number of children that would be born to	o a wo	oman if she experiences the current			
	fertility pattern	<i>.</i>	man ii one expenences are carrent			
	c) B/P					
	d) registered birth rate in a year + possible birth	/ mid	vear population X 100			
45	The annual wage earned by workers depends o					
.0	a) St, Nt		b) g(H т)			
	c) C+I+G		d) F _t , N _t			
46	. Which of the following is a criticism of Lewis mo	del?	-, ,			
	a) closed model		b) mobility of labour is not so easy			
	c) open model		d) immobility of capital			
47	. The international statistical definition of informal	l secto	•			
	a) micro enterprise owned by informal employers who hire one or more employers on a					
	continuing basis.					
	b) unpaid family workers					
	c) high level of biasness					
	d) partiality					
48	Advantage of urban informal sector is-					
	_	b) hig	her productivity than rural sector			
			wer productivity than rural sector			
49	. Policy option for urban informal sector improver	nent is	S-			
	a) uniform civil code					
	b) limited industrial development					
	c) awareness and advocacy of programs					
	d) suitable for a factor endowment of a country					
50	. The economic effects of migration include-					
	a) equality of income underemployment					
	b) Healthcare, unemployment					
	c) Remittance, inequalities of income widen					
	d) underemployment of family members					

51 pa	ayment on the	e dasis of tasi	ks periormea.		
a) Capacity	Curve		b) Ir	ndividual Wages	
c) Labour v	vages		d) F	riece Rate	
52is a	significant pr	oportion of th	e bodies requ	irement and represents the energy	required
	body temper	=	•		
a) Resting	metabolism		b) E	nergy Input	
c) Borrowin	ıg		d) S	toring	
53. The comme	ercial banks a	re required to	ensure that_	of total credit is provided to the	ne
priority sec	tors.				
a) 20%			b) 3	5%	
c) 28%			d) 4	0%	
54 abs	sorbs a large	quantity of lal	bour force		
a) Manufac	turing sector		b) A	gricultural sector	
c) Service s	sector		d) S	econdary sector	
55se	ectors require	s less capital	for its develop	oment thus it minimizes growth pro	blem of
foreign cap	ital.				
a) Agricultu	ıral sector		b) S	econdary sector	
c) Manufac	turing sector		d) S	ervice sector	
EG Mhatia th	a pariod of las	an in madium	torm carioulti	ural Cradit pands of the former?	
	-	an in medium	-	ral Credit needs of the farmer?	
,	n 15 Months from 20 Mont	the to 5 years	•	fore than 5 years	
c) Exterius	ITOTTI ZU IVIOTTI	ths to 5 years	u) E	xtends from 15 months to 5 years.	
			greatly increas	se the yields from cultivated land a	nd help
ensure future f		sufficiency.	b) /	gricultural	
a) Land-aug c) Environn	-		,	orest-augmenting	
C) Elivilolili	ileritai		u) F	orest-augmenting	
	=	-	and loss of ge	neric resources is which environme	ental
problem that at	•	ductivity.			
a) Deforest				b) Loss of Biodiversity	
c) Atmosph	eric Changes	3		d) Water pollution	
59. Potential I	Loss of New I	Drugs is whic	h environmen	al problem that affects health.	
a) Solid and	d Hazardous	Waste		b) Atmospheric Changes	
c) Loss of E	Biodiversity			d) Water Pollution	
60. On an Avecated in slums.	erage through	nout the deve	loping world, _	% of all new urban households	are
a) 92	b) 62	c) 52	d) 72		
ω, υ_	2, 32	5, 5 <u>2</u>	∽, . <u>~</u>		