

Roll No. ....

Question Booklet Number

O. M. R. Serial No.

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## B. B. A. (Sixth Semester) EXAMINATION, 2022-23

### INTERNATIONAL TRADE

| Paper Code |   |   |   |   |   |   |
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| Questions Booklet<br>Series |
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| C                           |

Time : 1:30 Hours ]

[ Maximum Marks : 75

#### Instructions to the Examinee :

#### परीक्षार्थियों के लिए निर्देश :

- Do not open the booklet unless you are asked to do so.
  - The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. All questions carry equal marks.
  - Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
- प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
  - प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। सभी प्रश्नों के अंक समान हैं।
  - प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

1. This method of payment presents least risk to an exported :
  - (A) Right draft
  - (B) Time draft
  - (C) Open account
  - (D) Letter of credit
2. Direct channel has this limitation :
  - (A) Market exploitation
  - (B) Control
  - (C) Communication
  - (D) Cost
3. This channel is used when a manufacturers deals with a foreign party without going through an intermediary in the home country :
  - (A) Indirect
  - ☒ (B) Direct
  - (C) Local
  - (D) Domestic
4. A distribution channel strategy is influenced by many factors that fall into three categories :
  - (A) Market, producer, product
  - ☒ (B) Wholesaler, retailer and customer
  - (C) Customer, market and retailer
  - (D) None of the above
5. Which of the following terms are used in International trade ?
  - (A) CIF
  - (B) CFR
  - (C) CPT
  - (D) All of the above
6. This quotation term includes the unloading at overseas port with the appropriate duty paid :
  - (A) FOB
  - (B) Ex-dock
  - (C) Ex-works
  - (D) Delivered duty paid
7. A seller should bill in a ..... currency.
  - (A) Strong
  - (B) Moderate
  - (C) Weak
  - (D) None of the above
8. This marketing concept is most likely to be standardized :
  - (A) Brand
  - (B) Advertising
  - (C) Price
  - (D) Distribution

9. Which of the following is not a brand function ?
  - (A) Creating identification
  - (B) Guaranteeing quality level
  - (C) Helping with promotion
  - (D) Lowering production cost
10. Which of the following is the stage of PLC ?
  - (A) Introduction
  - (B) Growth
  - (C) Maturity
  - (D) All of the above
11. Concept of PLC was given by :
  - (A) Philip Kotler
  - (B) Theodore Levitt
  - (C) Marshall
  - (D) None of the above
12. Which of the following theories suggests that firm seeks to penetrate into new markets overtime ?
  - (A) Imperfect market theory
  - (B) Product cycle theory
  - (C) Theory of comparative advantage
  - (D) None of the above
13. International trade and domestic trade differ because of :
  - (A) Different govt. policies
  - (B) Immobility of factors
  - (C) Trade restrictions
  - (D) All of the above
14. Market in which currencies buy and sell and their price are settled is called :
  - (A) International bond market
  - (B) International capital market
  - (C) Foreign exchange market
  - (D) Euro currency market
15. What is the goal for India's export of goods and services by 2030 ?
  - (A) US \$ 1 trillion
  - (B) US \$ 2 trillion
  - (C) US \$ 3 trillion
  - (D) US \$ 4 trillion
16. Which of the following event contributed most to the disruption in the Bretton Woods system ?
  - (A) Introduction of SDR
  - (B) Western dominance over the system
  - (C) Suspension of convertibility of dollar to gold
  - (D) Oil price shock of 1973

17. A receipt issued by commodity officer of the ship when the cargo is loaded on the ship is known as :  
(A) Shipping receipt  
(B) Cargo receipt  
(C) Mate receipt  
(D) Charter receipt
18. Charter party is used :  
(A) in export trade  
(B) in import trade  
(C) in internal trade  
(D) None of the above
19. Though which of the following canal routes, maximum international trade is taking place ?  
(A) Panama canal  
(B) Suez canal  
(C) English canal  
(D) Kiel canal
20. Working capital facility to exporter is provided by :  
(A) Reserve Bank of India  
(B) Export Credit and Guarantee Corporation  
(C) Commercial Banks  
(D) Ministry of External Affairs, Govt. of India
21. .... refers to purchase of goods from a foreign country.  
(A) Foreign trade  
(B) Export  
(C) Import  
(D) EXIM trade
22. .... is a combination of an ad-valorem specific tariff.  
(A) Anti-dumping tariff  
(B) Specific-valorem tariff  
(C) EXIM tariff  
(D) Compound tariff
23. Theory of factor endowments is given by :  
(A) Ricardo  
(B) Adam Smith  
(C) Taussig  
(D) Ohlin and Heckscher
24. Capitalistic, communistic and mixed are the types of .....  
(A) Economic system  
(B) Social system  
(C) Cultural system  
(D) Political system

25. Which is not an Indian MNC ?
- (A) Unilever
  - (B) Asian paints
  - (C) Piramal
  - (D) Wipro
26. Which of the following is not an element of international business environment ?
- (A) Culture
  - (B) Political setup
  - (C) Technology
  - (D) None of the above
27. .... is the payment method most often used in international trade which offers the exporter best assurance of being paid for the products sold immediately.
- (A) Bill of lading
  - (B) Open account
  - (C) Letter of credit
  - (D) Draft
28. AFTA is .....
- (A) ASEAN Free Trade Area
  - (B) American free Trade Area
  - (C) Asian Free Trade Area
  - (D) Agreement for Free Trade Area
29. Free international trade maximises world output through .....
- (A) Countries reducing various taxes imposed
  - (B) Countries specializing in production of goods they are best suited for
  - (C) Perfect competition between countries
  - (D) Diluting international business laws
30. A voluntary export restraint is the opposite form of .....
- (A) Import quota
  - (B) International tariff
  - (C) Subsidies
  - (D) Dumping
31. What is India's share in World Trade ?
- (A) 1%
  - (B) 2%
  - (C) 3%
  - (D) 4%

32. .... is composed of Capital A/c and Current A/c.
- (A) Bank of payments
  - (B) Barriers to trade
  - (C) Bill of payments
  - (D) Balance of payments
33. ASEAN stands for :
- (A) Association of South-East American Nations
  - (B) Association of South-East Asian Nations
  - (C) Agreement of South-East American Nations
  - (D) Agreement of South-East Asian Nations
34. .... refers to goods imported for purpose of export.
- (A) Third party trade
  - (B) Entrepot trade
  - (C) Export trade
  - (D) EXIM trade
35. Trade theories are classified into ..... and modern theories .
- (A) Regional
  - (B) Classical
  - (C) Local
  - (D) Ancient
36. .... suggests that each country should specialize in producing only those goods which it can produce efficiently.
- (A) Mercantilism
  - (B) Absolute advantage
  - (C) Comparative advantage
  - (D) H-O model
37. .... stresses on the relative rather than absolute cost difference between the goods as the basic for carrying out trade.
- (A) Absolute advantage
  - (B) Comparative advantage
  - (C) H-O model
  - (D) Mercantilism

38. Trade is a process which includes :
- Buying goods and services
  - Selling goods and services
  - Exchanging goods and service
  - None of the above
39. The aim of foreign trade is/are :
- to increase production
  - to raise the standard of living
  - Both (A) and (B)
  - None of the above
40. There is a need of foreign trade due to :
- Uneven distribution of natural resources
  - Division of labour and specialization
  - Differences in economic growth rate
  - All of the these
41. Items in the negative list of imports and exports are called :
- Prohibited items
  - Restricted items
  - Trade items
  - None of the above
42. Trade between countries can be helpful if the price ratios of products are :
- Equal
  - Decreasing
  - Undetermined
  - Different
43. Under which of the following ECGC comes ?
- EXIM Bank
  - Ministry of Commerce and Industry
  - Director General of Foreign Trade
  - RBI
44. IBRD is also known as .....
- EXIM Bank
  - World Bank
  - International Monetary Fund
  - International Bank

45. According to ..... the holdings of a country's treasure primarily is the form of gold constituted its wealth.
- (A) Gold theory
  - (B) Ricardo's theory
  - ☒ (C) Mercantilism theory
  - (D) Hecksher's theory
46. IPR stand for :
- ☒ (A) Intellectual Property Rights
  - (B) International Property Rights
  - (C) Internal Promotion Rights
  - (D) Internal Promotional Rights
47. Extension of marketing activities across the globe is called as :
- ☒ (A) International business
  - (B) Universal marketing
  - (C) International marketing
  - (D) Borderless marketing
48. .... factors affect international marketing decisions :
- (A) Political
  - (B) Economic
  - (C) Social
  - ☒ (D) All of the above
49. Which is not a part of counter-trade ?
- (A) Counter purchase
  - (B) Offset
  - ☒ (C) Anti-dumping trade
  - (D) Compensation trade
50. Large type of exporter will choose ..... type of distribution channel.
- (A) Exclusive
  - (B) Inclusive
  - (C) Indirect
  - (D) Direct
51. The most generic name to describe corporations operating around the world :
- (A) INC
  - (B) MNE
  - ☒ (C) MNC
  - (D) Global Corporations
52. .... can be described as the economic means to achieve the political goal of an independent nation.
- ☒ (A) Liberalization
  - (B) Free trade
  - (C) Trade barriers
  - (D) Protectionism

53. International trade contributes and increases the world .....
- (A) Population
  - (B) Inflation
  - (C) Economy
  - (D) Trade barriers
54. Domestic company limit its' operations to ..... political boundaries.
- (A) International
  - ☒ (B) National
  - (C) Transnational
  - (D) Global
55. Trade between two or more countries is known as .....
- (A) External business
  - (B) External trade
  - ☒ (C) International trade
  - (D) Unilateral trade
56. .... is the tax imposed on imports.
- (A) Imported tax
  - ☒ (B) Tariff
  - (C) Subsidies
  - (D) Import quotas
57. .... is declared UTP by WTO.
- (A) Transfer pricing
  - (B) Dumping
  - (C) Skimming
  - (D) Going rate
58. .... means selling the product at a price less than going rate.
- (A) Quota
  - (B) Tariff
  - (C) Subsidy
  - (D) Dumping
59. .... is the oldest theory of international trade.
- (A) Country similarity theory
  - (B) Absolute cost advantage
  - (C) Comparative cost advantage
  - ☒ (D) Mercantilism
60. .... provided a series of rounds of negotiation by which tariff were reduced.
- (A) IMF
  - (B) NAFTA
  - (C) IBRD
  - (D) GATT

61. .... occurs when imports are more than exports.
- (A) Trade barriers
  - (B) Trade deficit
  - (C) Trade surplus
  - (D) Trade contract
62. .... includes only visible.
- (A) Balance of Payment
  - (B) Balance of Trade
  - (C) Both of the above
  - (D) None of the above
63. Expand UNCTAD :
- (A) United Nations Conference on Tariff and Duties
  - (B) United Nations Committee on Trade and Development
  - (C) United Nations Conference on Trade and Development
  - (D) United Nations Council on Tariff and Development
64. .... is a group of countries agreeing to abolish all trade restrictions and barriers.
- (A) Common Market
  - (B) Economic Union
  - (C) Custom Union
  - (D) Free Trade Area
65. .... was replaced by WTO on January 1, 1995.
- (A) IMF
  - (B) IBRD
  - (C) NAFTA
  - (D) GATT
66. .... is a fixed % on the value of the traded commodity :
- (A) Anti-dumping duty
  - (B) Specific tariff
  - (C) Ad-valorem tariff
  - (D) Compound tariff
67. In most countries, foreign trade represents a significant share of :
- (A) EXIM
  - (B) FDI
  - (C) Income per capita
  - (D) GDP
68. Cash grants, loans at low rate and tax holidays are examples of .....
- (A) Quotas
  - (B) Tariff
  - (C) Subsidies
  - (D) Discounts

69. The first phase of globalization started around 1870 and ended with .....
- (A) World War I
  - (B) World War II
  - (C) Establishment of GATT
  - (D) In 1913 When GDP was high
70. Subsidiaries consider the regional environment for policy or strategy formulation is known as .....
- (A) Polycentric approach
  - (B) Regiocentric approach
  - (C) Ethnocentric approach
  - (D) Geocentric approach
71. International business focuses on ..... to buy or sell worldwide.
- (A) Local resources and opportunities
  - (B) National resources and opportunities
  - (C) Global resources and opportunities
  - (D) Internal resources and opportunities
72. .... limit its operations to National political boundaries.
- (A) Global company
  - (B) Domestic company
  - (C) Transnational company
  - (D) International company
73. .... is application of knowledge which redefine the boundaries of global business.
- (A) Cultural values
  - (B) Society
  - (C) Technology
  - (D) Economy
74. Globalization refers to :
- (A) lower incomes worldwide
  - (B) less foreign trade and investment
  - (C) global warming and their effects
  - (D) integrated and interdependent world
75. Why do companies go international ?
- (A) Expanding sales
  - (B) Acquiring resources
  - (C) To achieve higher rate
  - (D) All of the above
76. What does 'E' stand for in EPRG framework ?
- (A) Eccentric
  - (B) Ethnocentric
  - (C) Ease
  - (D) None of the above

77. The simplest way to enter a foreign market is through :
- Direct investment
  - Joint venturing
  - Contract manufacturing
  - Exporting
78. An arrangement in which one company allows another company to use its name, products, patents, brands, trademarks in exchange for royalty are called :
- ☒ Licensing
  - Joint venture
  - FDI
  - FPI
79. Wendy, Pizza Hut and McDonald are well-known ..... with international visibility.
- Franchisors
  - Trading companies
  - Joint ventures
  - Strategic alliances
80. Marrakesh agreement gave legal sanction to establishment of .....
- WTO
  - IBRD
  - IMF
  - None of the above
81. Restrictions to trade also include non-tariff barriers such as ..... and .....
- Taxes, tariffs
  - duty, fee
  - legislation, quotas
  - subsidies, taxes
82. .... is a limit on the amount of a specific product that can enter a country.
- Quota
  - Tariff
  - Exchange control
  - Boycott
83. .... is result of the Bretton Woods Conference.
- WTO
  - GATT
  - ☒ IMF
  - RBI
84. .... is designed to provide short-term BoP assistance.
- Stand By Arrangement (SBA)
  - New Arrangement to Borrow (NAB)
  - Extended Fund Facility (EFF)
  - None of the above

85. SDR were started to :
- (A) Supplement lack of nutrition
  - (B) Supplement shortfall of gold
  - (C) Both (A) and (B)
  - (D) None of the above
86. Which of the following organizations was established by industrialized nations to give loan money to underdeveloped and developing countries ?
- (A) OPEC
  - (B) NAFTA
  - (C) World Bank
  - (D) IMF
87. SDR were created by ..... in 1969.
- (A) IMF
  - (B) ADB
  - (C) IFC
  - (D) MIGA
88. Companies that want more control and are willing to invest considerable resources in :
- (A) Trading company
  - (B) Licensing
  - (C) Direct investment
  - (D) Contract manufacturing
89. FPI stands for :
- (A) Foreign Portfolio Investment
  - (B) Fund Portfolio Investment
  - (C) Foreign Preferred Investment
  - (D) None of the above
90. Which of the following are the dealers in Euro-currency market ?
- (A) Domestic banks
  - (B) Private banks
  - (C) Merchant banks
  - (D) All of these
91. When did the Euro dollar market originate ?
- (A) 1950
  - (B) 1960
  - (C) 1940
  - (D) 1930
92. If a country is having more exports than imports in value terms, it can be said that a country is having :
- (A) Deficit under BoP
  - (B) Deficit under BoT
  - (C) Surplus under BoT
  - (D) Surplus under BoP

93. Which of the following are activities of IHRM ?

- (A) Recruitment
- (B) Selection
- (C) Training and Development
- (D) All of the above

94. FERA stands for :

- (A) Foreign Exchange Regulations Act
- (B) Foreign Exchange Remarkable Act
- (C) Fund Exchange Regulations Act
- (D) None of the above

95. FEMA came into effect in :

- (A) 1st Jan., 2000
- (B) 1st Jan., 2004
- (C) 1st Jun., 2001
- (D) None of the above

96. ECGC was established in the year :

- (A) 1957
- (B) 1962
- (C) 1963
- (D) 1965

97. EPC stands for :

- (A) Export Promotion Council
- (B) Export Promotion Credit
- (C) Export Promotion Country
- (D) None of the above

98. SEZ stands for :

- (A) Special Economic Zone
- (B) Special Effected Zone
- (C) Special Export Zone
- (D) None of the above

99. This method of counter-trade involves a triangular rather than bilateral trade :

- (A) Barter
- (B) Compensation trade
- (C) Offset
- (D) Switch trading

100. Which of the following cannot be discounted ?

- (A) Bill of Exchange
- (B) Time draft
- (C) Bill of Lading
- (D) Letter of credit