


<b>Name:</b> <b>Enrolment No:</b>			
<b>School of Business, UPES</b> <b>End Sem Examination, December 2023</b>			
<b>Course: International Business</b> <b>Program: B.B.A. FT</b> <b>Course Code: INTB 2013</b>		<b>Semester: III</b> <b>Time : 03 hrs.</b> <b>Max. Marks: 100</b>	
<b>Instructions:</b> This question paper is divided into Four sections A, B, C and D. Marks distribution is given with the respective sections.			
<b>SECTION A</b> <b>(10Qx2M=20Marks)</b>			
S. No.	All the Multiple-Choice Questions:	Marks	CO
Q.1	Which one is not the Factor contributing to the changes in the Revealed comparative advantages of a country? 1. Economics Factors 2. Structural changes 3. Trade Specialization 4. Commodity's price increases	2	CO1
Q.2	Which statement is true in context of Mercantilism? 1. "Maximize exports through subsidies. Minimize imports through tariffs and quotas." 2. "Minimum exports through subsidies. Maximum imports through tariffs and quotas." 3. "Maximize exports through subsidies. Maximum imports through tariffs and quotas." 4. None of the above	2	CO1
Q.3	When an investor invest in the foreign country, the foreign currency 1. Appreciates 2. Depreciate 3. Revalue 4. Devalue	2	CO1
Q.4	Maxim 'Buy High; Sell Low' is applicable in: 1. Direct Quotation 2. Indirect Quotation 3. Either Indirect or Direct Quote 4. Direct and Indirect Both	2	CO1
Q.5	The given statement, "Economies of scope assist in achieving economies of scale by expanding into the international markets" belongs to the theory: 1. Factor Endowment Theory 2. Comparative Cost Advantage Theory	2	CO1

	3. International Product Life Cycle Theory 4. Leontiff Paradox		
Q.6	Which of the following statement is not true with the respect to Balassa Index. 1. Too to measure Revealed Comparative Advantage 2. It measures the Relative Trade Performance of individual countries in particular commodities. 3. Ignores attainment of economic efficiency 4. All of them	2	CO1
Q.7	Theory states that the rate of exchange is determined by the forces of demand and supply for the currency in the foreign exchange is called: 1. Mint Par Theory 2. Purchasing Par parity theory 3. Balance of payment theory 4. Fisher effect Theory	2	CO1
Q.8	The principle of commodity terms of trade is based on export and import prices indices. Such type of terms of trade called: 1. Net Barter Terms of Trade 2. Gross Barter Terms of Trade 3. Income Terms of Trade 4. Two Factor Terms of Trade	2	CO1
Q.9	Who introduced Theory of Absolute Advantages? 1. Adam Smith 2. David Recardo 3. Heckscher 4. Ohlin	2	CO1
Q.10	Trade diversion 1. It results in the contraction of consumption opportunities by making available high cost-goods 2. It results in the contraction of consumption opportunities by making available low cost-goods 3. It results to its members from non-members countries. 4. It results in the expansion of consumption opportunities by making available low cost-goods	2	CO1
<b>SECTION B</b> <b>(4Qx5M= 20 Marks)</b>			
<b>Attempt all the Short Answer questions.</b>			
Q.11	“Mercantilism is not zero- sum game”. Do you agree with this statement?	5	CO2
Q.12	Explain the different modes of remittance used in international finance and their benefits.	5	CO2
Q.13	Explain the concept of MAXIM buy low & sell high with the help of an example.	5	CO2
Q.14	Discuss the concept of bid offer and spread with the help of an example.	5	CO2

**SECTION-C**  
**(3Qx10M=30 Marks)**

**Answer Both Long Answer Questions.**

Q.15	Compare & differentiate the functioning of WB & IMF. Why countries like Sri Lanka & Pakistan are approaching IMF then WB.	<b>10</b>	<b>CO3</b>
Q.16	What is demonstrated by a nation's balance of payments? How can you predict the exchange rate of a currency will change using the balance of payments?	<b>10</b>	<b>CO3</b>
Q.17	Global rating agency FITCH has forecasted that real state sector in China is facing downward trend which may also affect the global economy because the share of Chinese real estate sector in the global sector is 12%. It is also estimated that it may bring Chinese economy into depression in this year the sale of new houses has declined by 20 %. Chian's imports are also declining unemployment rate in China is very high, foreign companies are the consolidating. Their businesses are ready to move out in this scenario. People have also curtailed their expenditures on consumption and started saving more money. Share your understanding with the help of circular flow of money concept, on the given scenario of Chinese economy.	<b>10</b>	<b>CO3</b>

**SECTION-D**  
**(2Qx15M=30 Marks)**

Q.18	<p>Bombay on London is quoted as follows:</p> <table border="1"> <tr> <td>Spot</td> <td>£ 2.3430</td> <td>2.3475</td> </tr> <tr> <td>1 Month</td> <td>1.5</td> <td>2.0 dis</td> </tr> <tr> <td>2 Month</td> <td>2.25</td> <td>1.75 dis</td> </tr> <tr> <td>3 Month</td> <td>2.75</td> <td>2.25 dis</td> </tr> </table> <p>Calculate and analyse 1 month, 2 months, and 3 months forward rates.</p>	Spot	£ 2.3430	2.3475	1 Month	1.5	2.0 dis	2 Month	2.25	1.75 dis	3 Month	2.75	2.25 dis	<b>15</b>	<b>CO4</b>
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Q.19	Tell us a story on international trade theories developed by Adam Smith, Ricardo, Hecksher Ohlin to Leontief. Before Pandemic, US decided to raise tariffs on at least \$ 50 Bn Chinese Imports. This move is a warning to both India and China. Analyse the given scenario and suggest the way forward to India with the help of theoretical understanding of International Trade theories.	<b>15</b>													