



Name:

Enrolment No:

UPES

End Semester Examination, May 2024

Course: Regional Economic Integration I

Program: BBA Foreign Trade

Course Code: ECON 2035P

Semester: IV

Time: 03 hrs.

Max. Marks: 100

**Instructions:**

- Read the question paper carefully before you begin. Pay attention to any specific instructions and question numbering.
- Section A contains 10 Objective type questions of 2 marks each, carrying a total of 20 marks.
- Section B contains 4 Questions of 5 marks each, totaling 20 marks. These questions are short answer type. All the questions are compulsory.
- Section C contains 3 Questions of 10 marks each, totaling 30 marks. Out of 3 questions, 2 Questions are compulsory and 1 Question has internal choice to attempt any one. These Questions are of medium duration type.
- Section D contains 2 Questions of 15 marks each, totaling 30 marks. Out of the 2 questions, 1 Question is compulsory and 1 Question has internal choice to attempt any one. These Questions are of long answer type.
- All electronic devices, including but not limited to calculator, mobile phones, tablets, smartwatches, and laptops, must be turned off and placed out of reach. No electronic devices are allowed during the exam.

**SECTION A**  
**10Qx2M=20Marks**

| S. No. |  | Marks | CO  |
|--------|--|-------|-----|
| Q 1    | What is the primary characteristic of a free trade integration?<br>a) Common external trade policies<br>b) Elimination of tariffs and quotas among member countries<br>c) Establishment of a common currency<br>d) Coordination of monetary policies |       | CO1 |
| Q 2    | Which of the following best describes a customs union?<br>a) Complete economic and political integration among member states   |       | CO1 |

|     |   |  |            |
|-----|---|--|------------|
|     | <p>b) Free movement of goods, services, capital, and labor across borders</p> <p>c) Adoption of a common external tariff on imports from non-member countries</p> <p>d) Harmonization of fiscal policies among member nations</p>                                     |  |            |
| Q 3 | <p>What distinguishes a common market from a customs union?</p> <p>a) Existence of a common currency</p> <p>b) Unified foreign policy</p> <p>c) Free movement of labor and capital in addition to goods and services</p> <p>d) Complete removal of trade barriers</p> |  | <b>CO1</b> |
| Q 4 | <p>Which level of regional economic integration involves the deepest form of integration?</p> <p>a) Free trade area</p> <p>b) Customs union</p> <p>c) Common market</p> <p>d) Economic union</p>  |  | <b>CO1</b> |
| Q 5 | <p>What is a characteristic of economic union?</p> <p>a) Common external trade policies</p> <p>b) Partial harmonization of fiscal policies</p> <p>c) Shared central banking system</p> <p>d) Common currency and full integration of economic policies</p>            |  | <b>CO1</b> |
| Q 6 | <p>In a customs union, what is the status of tariffs between member countries?</p> <p>a) Eliminated completely</p> <p>b) Reduced but not eliminated</p> <p>c) Harmonized at a fixed rate</p> <p>d) Set at each member's discretion</p>                                |  | <b>CO1</b> |
| Q 7 | <p>Which of the following is a benefit of regional economic integration?</p>  |  | <b>CO1</b> |

|   |  |  |            |
|---|--|--|------------|
|   | <p>a) Increased competition among domestic industries</p> <p>b) Lower consumer prices due to reduced tariffs</p> <p>c) Loss of national sovereignty</p> <p>d) Limited market access for member countries</p>   |  |            |
| Q 8   | <p>What is the primary purpose of a common market?</p> <p>a) To facilitate the free movement of goods only</p> <p>b) To establish a common currency</p> <p>c) To promote the free movement of goods, services, capital, and labor</p> <p>d) To eliminate all trade barriers among member countries</p> |  | <b>CO1</b> |
| Q 9   | <p>Which level of integration allows for the coordination of monetary and fiscal policies?</p> <p>a) Free trade area</p> <p>b) Customs union</p> <p>c) Common market</p> <p>d) Economic union</p>  |  | <b>CO1</b> |
| Q 10  | <p>Which form of regional economic integration involves the least amount of integration?</p> <p>a) Economic union</p> <p>b) Common market</p> <p>c) Free trade area</p> <p>d) Customs union</p>  |  | <b>CO1</b> |
| <p><b>SECTION B</b></p> <p><b>4Qx5M= 20 Marks</b></p> |  |  |            |
| Q 11  | Differentiate between a Preferential trading agreement and Free trade agreement.   |  | <b>CO2</b> |
| Q 12  | What are the features of a common market/single market.  |  | <b>CO2</b> |
| Q 13  | Discuss the various levels of regional economic integration.   |  | <b>CO2</b> |
| Q 14  | List and describe the downsides of regional economic integration.  |  | <b>CO2</b> |

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

|      |  |  |            |
|------|--|--|------------|
| Q 15 | Analyze the four freedoms of a common/single market, citing examples.  |  | <b>CO3</b> |
| Q 16 | Explain trade creation and trade diversion phenomena of a customs union.   |  | <b>CO3</b> |
| Q 17 | Discuss whether the European Union is a customs union and/or a common market.<br><br>Or<br><br>Discuss whether MERCOSUR is a customs union and/or a common market. |  | <b>CO3</b> |

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

|      |   |  |            |
|------|---|--|------------|
| Q 18 | “Romania and Bulgaria are newest entrants to Europe’s Schengen travel zone”. Analyse the implications of this decision for the two countries on the people in their movement and increased job prospects.   |  | <b>CO4</b> |
| Q 19 | India has recently inked a trade deal with the EFTA countries consisting of Norway, Iceland, Liechtenstein and Switzerland. Analyze the possible effect of India-EFTA Trade and Economic Partnership Agreement (TEPA) in the light of natural trading partner hypothesis.<br><br>OR<br><br>India is seeking to sign FTAs with several trade partners such as the Gulf Cooperation Council (GCC), EU, the United Kingdom, etc. India has also signed trade and partnership agreements with countries like Australia, United Arab Emirates (UAE), European Free Trade Association (EFTA), Mauritius, etc. Interpret and analyze the causes and consequences of forging new trade relationships for the manufacturing and services sector of India, highlighting India’s strengths as well as vulnerabilities. |  | <b>CO4</b> |