

**MASTER OF COMMERCE
FOURTH SEMESTER
INTERNATIONAL BUSINESS
MCM-402**

(Use separate answer scripts for Objective & Descriptive)

Duration : 3 hrs.

Full Marks : 70

(PART-A : Objective)

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1x20=20

1. IMF and World Bank were set up under which one of the following?
 - a. Bundung Conference
 - b. Bretton woods Conference
 - c. Maastricht treaty
 - d. Treaty of Rome 1957
2. Any member nation facing BOP crisis can approach which one of the following for immediate remedy?
 - a. IMF
 - b. World Bank
 - c. WTO
 - d. UNCTAD
3. Multilateral Investment guarantee agency is a wing of:
 - a. IMF
 - b. World Bank
 - c. UNO
 - d. Multilateral trade facilitation council
4. International Finance Corporation can extend financial accommodation to which one of the following?
 - a. All the government of the member nation.
 - b. Only public sector entities.
 - c. Both public and private sector entities.
 - d. Only private sector entities.
5. GATT was set up in which of the following years?
 - a. 1944
 - b. 1948
 - c. 1995
 - d. 1950
6. World Intellectual property rights and levy of custom duty by a trading nation is within the purview of which one of the following?
 - a. GATT
 - b. WTO
 - c. World Intellectual property organization
 - d. None of the above
7. Which one of the following is an entry mode of MNCs?
 - a. Franchise
 - b. Joint Venture
 - c. Green field Investment
 - d. All of the above
8. Which of the following is not a member of SAARC?
 - a. Pakistan
 - b. Bhutan
 - c. Maldives
 - d. Myanmar

9. India is not a member of:
- | | |
|----------|-----------------|
| a. G-15 | b. UNO |
| c. ASEAN | d. Commonwealth |
10. Head quarter of the SAARC is situated in:
- | | |
|--------------|------------|
| a. Delhi | b. Colombo |
| c. Kathmandu | d. Dhaka |
11. The comparative Cost Theory of international trade was developed by:
- | | |
|------------------|--------------------|
| a. David Ricardo | b. Haberlar |
| c. Adam Smith | d. Alfred Marshall |
12. Which of the following institute is considered as 'soft loan window' of world bank?
- | | |
|---------|--------|
| a. IMF | b. IFC |
| c. IBRD | d. IDA |
13. Who is the successor of GATT?
- | | |
|--------|---------------|
| a. ABB | b. IFC |
| c. WTO | d. World Bank |
14. The headquarters of IMF is in:
- | | |
|---------------|-------------|
| a. Hague | b. Geneva |
| c. Washington | d. New York |
15. The 'terms of trade' means:
- An excess of import over export.
 - The terms and conditions on which a country participates in foreign trade.
 - Trade agreements.
 - The relationship between export prices and import prices.
16. Which conference gives the birth to the International Monetary Fund?
- | | |
|----------|------------------|
| a. TIDA | b. Bretton woods |
| c. LIBOR | d. Congress |
17. The differences between the export and import of services are called:
- | | |
|-------------------------------|-------------------------------|
| a. Balance of Trade | b. Balance of Invisible |
| c. Balance of Current Account | d. Balance of Capital Account |
18. Under the flexible exchange rate system, the exchange rate is determined:
- The force of demand and supply in the foreign exchange market.
 - The monetary authority of the nation.
 - The price of the gold.
 - The quantum of foreign exchange reserve.
19. The UNCTAD is a permanent organization of:
- | | |
|--------|---------|
| a. RBI | b. GATT |
| c. IMF | d. UNO |
20. NAFTA is an example of:
- | | |
|--------------------|-------------------|
| a. Common market | b. Customer Union |
| c. Free Trade area | d. Economic Union |

(PART-B : Descriptive)

Time : 2 hrs. 40 min.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

- Discuss the importance of international business for a national. Examine its scope in strengthening economic development of nations. 10
- Describe the different theories of international trade and examine their applicability in the Indian business environment. 5+5=10
- Discuss foreign trade multiplier and applicability in terms of trade. 5+5=10
- Examine the compositions of Balance of payment account. How is it computed? 6+4=10
- Describe the domestic and foreign environment influencing international business environment. Cite some examples from India. 5+5=10
- Discuss the case for dollar domination in international trade. How is currency exchange rate determined? Discuss. 6+4=10
- Discuss the meaning and use of free trade area, common market, custom union, NAFTA and SAFTA. 2×5=10
- Discuss the role of WTO in promotion of International trade among the member nations. 10

== *** ==