

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

Duration : 3 hrs.

Full Marks: 70

[PART-A: Objective]

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1X20=20

1. LDC stands for _____
 - a. Less Developed Countries
 - b. Less Developing Countries
 - c. Low Developing Countries
 - d. None of the above.
2. The scope of international business include(s) _____
 - a. International marketing
 - b. International investment
 - c. Management of foreign exchange
 - d. All of the above
3. Trade _____ helps a country to sell their own products and goods.
 - a. Marketing
 - b. Barriers
 - c. Contracts
 - d. None of the above
4. The European Union (EU) was formed in the year _____
 - a. 1993
 - b. 1994
 - c. 2004
 - d. none of the above
5. _____ items include all types of physical goods exported and imported
 - a. Invisible
 - b. Visible
 - c. Capital transfers
 - d. None of the above
6. _____ agreements reduce or eliminate barriers to trade across international borders.
 - a. Free trade
 - b. Political
 - c. Technological
 - d. Noneof the above
7. _____ trade theory stated that a country's wealth was determined by the amount of its gold and silver holding
 - a. Comparative advantage
 - b. Mercantilism
 - c. Absolute Advantage
 - d. None of the above.
8. The SAFTA agreement came into force from the year
 - a. 2005
 - b. 2002
 - c. 2006
 - d. None of the above
9. The reduction in the value of a currency due to market forces is known as _____
 - a. Inflation
 - b. Revaluation
 - c. Depreciation
 - d. None of the above

10. International _____ refers to tax levied on the cross-border transaction.
 - a. investment
 - b. taxation
 - c. trade
 - d. None of the above
11. International _____ problem arises when demand for it exceeds its supply.
 - a. portfolio
 - b. investment
 - c. liquidity
 - d. None of the above
12. Asean consist of _____pillars which was formed in the year 2003.
 - a. 4
 - b. 3
 - c. 5
 - d. None of the above
13. A _____ is a tax put on goods imported from other countries.
 - a. Quota
 - b. Tariff
 - c. Embargo
 - d. None of the above
14. _____ is an arrangement where the international company transfers technology, patent and so on for a limited period of time to an overseas entity in return for some form of payment.
 - a. Licensing
 - b. Franchising
 - c. Contractual Agreements.
 - d. None of the above
15. If a country has low inflation rates consistently, its currency value typically _____.
 - a. falls
 - b. rises
 - c. remain fixed
 - d. None of the above
16. The World Bank started its operations from the year _____.
 - a. 1947
 - b. 1948
 - c. 1946
 - d. None of the above
17. The headquarters of MNC's are located in _____.
 - a. Home country
 - b. Host country
 - c. Both a and b
 - d. None of the above
18. Asean was established in the year _____.
 - a. 1977
 - b. 1957
 - c. 1967
 - d. None of the above
19. The theory of Comparative Advantage was promulgated by _____.
 - a. David Ricardo
 - b. Adam Smith
 - c. Heckscher & Bertil Ohnn
 - d. None of the above
20. Trading one currency for another is called foreign _____.
 - a. exchange
 - b. investment
 - c. market
 - d. None of the above

(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

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

1. Explain in brief the advantages of International Business. 10

2. a. What is meant by International Taxation? 2+8=10
b. Mention in brief about Absolute Advantage Theory.

3. Write short notes (any two) of the following. 5+5=10
 - a. IMF
 - b. Tariff
 - c. Quota
 - d. SAARC

4. What is a BOP? Explain the factors that lead to the disequilibrium of BOP. 2+8=10

5. What is meant by International Liquidity? Explain the significance of international liquidity on international trade. 2+8=10

6. a. What is meant by LDC? 5+5=10
b. Mention the significance of MNCs.

7. Explain the objectives and functions of World Bank. 3+7=10

8. State the significance of socio-cultural and political environment in international business. 5+5=10

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