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B.A. (Semester – VI) Examination, October/November 2017
ECONOMICS
International Trade and Finance – II (Paper – VII)
(w.e.f. A.Y. 2012-13 Onwards)

Duration : 2 Hours Total Marks : 80

Instructions : *i) **All** questions are **compulsory**, however **internal** choice is available.*
*ii) Answer question **1** and **2** in **not** more than **100** words.*
*iii) Answer questions **3** to **6** in **not** more than **400** words **each**.*
*iv) Figures to the **right** indicate **maximum** marks.*

1. Answer **any four** of the following : **(4×4=16)**
   i) Explain the term "Balance of Payment" and highlight any of its three differences with the Balance of Trade.
   ii) Explain the role of Commercial Banks and non-banking financial institutions in the Foreign Exchange Market.
   iii) Explain any three types of disequilibrium in Balance of Payments.
   iv) Explain the concept of LERMS (Liberalised Exchange Rate Management System).
   v) Explain the role of hedging in Exchange Rate Risk Management.
   vi) Explain the concept of Rupee Convertibility.

2. Answer **any four** of the following : **(4×4=16)**
   i) Explain the terms 'Brain Drain' and 'Brain Gain'. Examine any three Pull factors of Brain Drain.
   ii) Explain any three forms of International Capital Flows.
   iii) Write short notes on SAFTA and NAFTA.
   iv) Explain the different functions of IBRD.
   v) What do you mean by Immigration and Emigration ? Explain any two types of migration of human capital.
   vi) Explain the objectives of WTO.

P.T.O.

3. a) Explain the disequilibrium in the Balance of Payments. How expansion and contraction of money supply and changes in interest rates helps in correcting the disequilibrium in the Balance of payments ? 12

OR

b) 'Multinational Corporations in India has been a mixed blessing'. Explain. 12

4. a) Explain how purchasing power parity theory and the Balance of payments theory determines the equilibrium exchange rate. 12

OR

b) What do you mean by 'Regional Economic Integration' ? Explain its static and dynamic effects. 12

5. a) Explain the case for and against Flexible Exchange Rate Regime. 12

OR

b) Explain the role and the factors influencing International Capital Flows. 12

6. a) Explain the various provisions of agreement on agriculture of WTO. 12

OR

b) Explain the various principles of general agreement on trade in services. 12