



MMC – 32

B.A. (Semester – VI) Examination, April/May 2019
ECONOMICS

International Trade and Finance – II (Paper – VIII)

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)

- a) Define Balance of Payment and explain any two components of the Capital Account.
- b) Explain how hedging helps in Exchange Rate Risk Management.
- c) Explain any two points of difference between Balance of Payment and Balance of Trade.
- d) Explain the concept of Currency Convertibility.
- e) What is devaluation? Explain any two conditions necessary for its success.
- f) Explain any four features of the Foreign Exchange Market.

2. Answer **any four** of the following : (4×4=16)

- a) What do you mean by Foreign Direct Investment ? How it differs from Foreign Portfolio Investment ?
- b) State and explain any four objectives of Regional Economic Integration.
- c) Explain briefly the structure of W.T.O.
- d) State the meaning of human migration and explain Voluntary and Involuntary Migration.
- e) Briefly explain the welfare effects of International Capital Movement on the home country.
- f) Examine any four functions of IBRD.



3. A) Explain the term 'Disequilibrium in the Balance of Payments' and discuss its causes. 12

OR

- B) Examine the role of fiscal and monetary policy in correcting the disequilibrium in Balance of Payments. 12

4. A) Enlist and explain the merits and de-merits of flexible exchange rate system. 12

OR

- B) Discuss the Balance of Payment theory in determining the equilibrium rate of exchange. 12

5. A) Explain the merits and de-merits of Multinational Corporations to the host Country. 12

OR

- B) What do you mean by Brain Drain ? Discuss the Pull and Push Factors leading to Brain Drain. 12

6. A) Explain the features of Trade Related Intellectual Property Rights (TRIPS). 12

OR

- B) Write short notes on :

- 1) European Union
- 2) NAFTA

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