

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 7130

Roll No.

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MBA
(SEMESTER-III) THEORY EXAMINATION, 2012-13
INTERNATIONAL BUSINESS ENVIRONMENT & FOREIGN
EXCHANGE ECONOMICS

Time : 3 Hours]

[Total Marks : 100

Section – 1

1. This section consists of **ten** short answer type questions of **2** marks each : **2 × 10 = 20**
- (a) What are the Trade Blocks ?
 - (b) What is IBRD ?
 - (c) What is Import Quota ?
 - (d) What is the role of IMF ?
 - (e) What do you mean by non-traffic barrier ?
 - (f) Discuss “World Bank Exim Policy”.
 - (g) Write short note on the Methods of Payment in International Trade.
 - (h) What is Balance of Payment ?
 - (i) What is Balance of Trade ?
 - (j) What is the meaning of domestic business ?

Section – 2

2. Answer any **three** questions : **10 × 3 = 30**
- (a) Why advanced countries do insists on the elimination of subsidies ?
 - (b) Explain the sources of competitive advantages from international businesses.
 - (c) Explain the difference between domestic and international barriers.
 - (d) How do you determine exchange rates ? What are the advantages and disadvantages of fixed exchange rate system ?
 - (e) How is the WTO different from GATT ?

Section – 3

This section consists of **five** long answer type questions of **10** marks each, to be answered. **10 × 5 = 50**

3. Why are international barriers not a bed of roses ? Elucidate your answer with the help of suitable example.

OR

“Trade is not about warfare. But mutual gains from voluntary exchange.” Give your comments.

4. Discuss the theory of absolute cost advantage theory. What are its assumptions ? Explain the ground on which this theory was criticized.

OR

Analyze the product life cycle theory of international trade in detail. What are the limitations levelled against this theory ?

5. Describe the implications of rupee convertibility on Indian economy.

OR

Why developing countries prefer fixed exchange rates while the advanced countries prefer flexible exchange rates.

6. Explain the role of India in the WTO and WTO's role in Indian socio-economic development.

OR

What is regional economic integration ? Explain the obstacles to economic integrations.

7. With the help of suitable example describe the process of achieving globalization, in various stages.

OR

The whole universe is a potential market for your products. Discuss the various market entry strategies that need to be evolved to exploit this potential.