1. Email *

2. Name *

3. Roll Number *

4. 1. The theory of absolute advantage is attributed to

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   - Bertil Ohlin
   - Heckscher-Ohlin
   - Adam Smith
   - David Ricardo

5. 2. Raymond Vernon proposed the

   *Mark only one oval.*

   - Theory of absolute advantage
   - Theory of relative advantage
   - Theory of comparative cost advantage
   - Product life cycle theory
6. Investment made to further the business interest of a company in a country other than the investors country of origin is called as

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- Foreign direct investment
- Foreign diversification
- Foreign procurement of goods
- Foreign capitalization

7. Indirect method of export is made through

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- Trading companies
- Shipping lines
- Piggyback companies
- Export promotion councils

8. General Agreement on Tariffs and Trade, a multilateral treaty was set up with the objective of

*Mark only one oval.*

- Ensuring a uniform tariff for all the products across the world
- Development and proper utilization of the resources of the world
- Elimination of hunger
- Elimination of tariff in all countries

9. World Trade Organization was set up

*Mark only one oval.*

- To bring discipline to international trade
- To administer the Trade Review Mechanism
- To ensure that all countries implement the same laws for international trade
- To work as an intermediary among organizations
10. 7. TRIPS council of WTO refers to

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☐ Trade related Aspects of Intellectual Property rights
☐ Trade Related International Property Settlement
☐ Trade Relationship in International Property Settlement
☐ Trade Rights and International Principal System

11. 8. International commercial terms (INCOTERMS) are

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☐ Very difficult to use
☐ These terms are not used frequently
☐ Standard trade definitions for special contracts
☐ Incoterm provide a uniform interpretation of the trade terms across countries

12. 9. EPCG Scheme is an incentive offered by government to

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☐ Helps in increasing the manufacturing capacity
☐ Is not to be used for the export of goods
☐ This does not allow the import of raw materials
☐ This scheme allows the import of new as well as second hand capital equipment

13. 10. Balance of payments measures

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☐ The amount owed by a nation to other countries
☐ The amount that is to be received from other countries
☐ The payments flow between a country and all other countries
☐ The debt burden of a country
11. One of the components of balance of payments account is the

*Mark only one oval.*

- [ ] Financial transactions are not part of this account
- [ ] Financial asset transactions are not part of this account
- [ ] Financial remittance form NRI are not covered
- [ ] The capital account (the acquisition and disposal of capital equipment)

12. Advance payment method is very secure for the

*Mark only one oval.*

- [ ] Buyer
- [ ] Seller
- [ ] Equally secure for both the buyer and seller
- [ ] Not secure for either buyer or seller

13. Payment through letter of credit

*Mark only one oval.*

- [ ] The risk of non-performance is taken care by the bank
- [ ] Does not ensures security for buyer or seller
- [ ] The goods are sold to the bank and in-turn to the buyer
- [ ] The bank acts as a guarantee to ensure a smooth transaction

14. Currency risk encountered in international trade is offset by

*Mark only one oval.*

- [ ] Selling in local currency
- [ ] Use of intermediaries in sales
- [ ] Being careful in FE transactions
- [ ] Forward contracts
18. 15. URC 522 governs the rules concerning

    Mark only one oval.

    ☐ Credit assessment rules
    ☐ Risk assessment rules
    ☐ Rules for documentary collections to be followed by financial institutions
    ☐ Rules for letter of credit operation

19. 16. Uniform customs and practice for documentary credits are governed by the procedure

    Mark only one oval.

    ☐ UCP 500
    ☐ UCP 600
    ☐ UCP 522
    ☐ UCP 622

20. 17. Tariffs is a form of tax levied on imports

    Mark only one oval.

    ☐ Reduces the cost of imports
    ☐ Government intervention to promote exports
    ☐ Helps foreign companies to do business in India
    ☐ This helps domestic companies to compete in price with imported products

21. 18. Method adopted to protect domestic industries from foreign competition are

    Mark only one oval.

    ☐ Licensing by the government
    ☐ Voluntary reduction of imports
    ☐ Removal of duty on the imports
    ☐ Domestic content requirement
22. **Reason cited for Government intervention in international trade**

   *Mark only one oval.*

   - [ ] To generate revenue for the government
   - [ ] To enhance and ensure national security
   - [ ] Government not interested in free trade
   - [ ] To provide advantage to the foreign companies

23. **Customs authority is responsible for**

   *Mark only one oval.*

   - [ ] Protecting the country from extremists
   - [ ] Preventing imports into the country
   - [ ] Safeguarding and protecting the country from unlawful and damaging imports
   - [ ] Help only in exports

24. **A comprehensive single document that indicates the importation of goods is**

   *Mark only one oval.*

   - [ ] A bill of lading
   - [ ] An invoice
   - [ ] Bill of entry
   - [ ] Packing list

25. **Goods can be imported and consumed at a later date by the filing**

   *Mark only one oval.*

   - [ ] The bill of entry at a time when the goods are required
   - [ ] By the simple declaration of goods
   - [ ] By filing a bill of entry for bonding / warehousing
   - [ ] No such provision is available
23. Shipping is one of the documents that is part of Mark only one oval.

☐ Import of services
☐ Export of goods
☐ Not required for any of the activities
☐ Is similar to a packing list

24. Consular invoice is a document that is Mark only one oval.

☐ Is an invoice that is certified by the embassy of the exporting country
☐ Is the same as a normal invoice
☐ Is a special invoice for export
☐ Is an invoice that is certified by the embassy of the importing country

25. One of the methods used to identify the assessable value of goods imported Mark only one oval.

☐ The amount of duty to be paid
☐ Will be identified by the assessing officer
☐ The residual method
☐ Exchange rate of the item

26. Factor that affects the exchange rate is Mark only one oval.

☐ The purchasing power parity
☐ The rate charged by the bank
☐ The rate charged by the government
☐ Rate fixed by the buyer
30. In countries with exchange control regulations
   
   _Mark only one oval._
   
   ☐ The law governs the exchange rate
   ☐ Is a RBI's policy
   ☐ Is when the exchange rate mechanism is controlled by the government
   ☐ The bank decides on the exchange rate

31. One of the exchange rate mechanism
   
   _Mark only one oval._
   
   ☐ Is the composite currency peg
   ☐ Is the fixed currency peg
   ☐ Is the free currency peg
   ☐ Is the multiple currency peg

32. SDR (special Drawing Right) is an international reserve asset created by
   
   _Mark only one oval._
   
   ☐ IBRD
   ☐ IMF
   ☐ ADB
   ☐ IFC

33. The value of SDR is
   
   _Mark only one oval._
   
   ☐ Fixed and based on the US dollar
   ☐ Floating and based on the US dollar
   ☐ Is based on the Euro
   ☐ Is based on a basket of currencies
34. Foreign Exchange Management Act was introduced

*Mark only one oval.*

- [ ] In place of the fixed exchange control mechanism
- [ ] To arrive at an exchange control mechanism based on currency basket
- [ ] To replace the foreign exchange regulation act
- [ ] The government did not like the earlier system

35. FEMA was introduced with the major objective

*Mark only one oval.*

- [ ] To help the RBI
- [ ] Facilitate foreign trade through the proper management of foreign exchange
- [ ] To help the customs
- [ ] To help the banks dealing in foreign exchange

36. The full form of UNCTAD is

*Mark only one oval.*

- [ ] United Nations Conference on Trade and Development
- [ ] United Nations Committee for Trade Agriculture Development
- [ ] United Nations Cultural Task force for Agricultural Development
- [ ] United Nations Committee on Technology and Development

37. Regional Trade Blocks

*Mark only one oval.*

- [ ] Group of nations cooperating in the area of defense
- [ ] Group of nations joining together to facilitate trade within themselves
- [ ] Nations who have a common tariff barrier for the commodities
- [ ] Nations with the intention of forming political alliances
38. One of the document SETS required in export is the

*Mark only one oval.*

[ ] Import license
[ ] Regulatory set of documents
[ ] Duty exemption certificate
[ ] The bill of entry

39. Export promotion councils perform the role of

*Mark only one oval.*

[ ] Exporter of commodities
[ ] Appraise the government about the problems faced by the exporters
[ ] Forum that does the paper work for the exporter
[ ] Coordinating with the importer’s bank

40. Export promotion councils

*Mark only one oval.*

[ ] Helps the banks in assessing credit worthiness of exporter
[ ] Assists in product development
[ ] Are associations that identify products not to be imported
[ ] Are associations that helps banks to identify exporters

41. ECGC is the short form for

*Mark only one oval.*

[ ] Export Commercial Guarantee Company
[ ] Export Credit Guarantee Company
[ ] Export Credit Guarantee Corporation
[ ] Expert Corpus fund for Guarantee Council
39. Payment risks of exports are insured by

*Mark only one oval.*

- Reserve bank of India
- The Bank through which exports have been carried out
- Export credit guarantee corporation
- The buyer’s bank

40. Electronic data interchange is the process were

*Mark only one oval.*

- Two business partners communicate with each other through computers
- Two banks communicate between each other with computers
- Many organizations communicate with each other through computers
- Organizations communicate with the government agencies

41. Special Economic Zone

*Mark only one oval.*

- Provide economic assistance to the industries
- Helps in channelizing the imports
- During the operation they have to achieve net foreign exchange earnings
- Helps in channelizing the exports

42. The incoterm EXW is advantageous to

*Mark only one oval.*

- The buyer
- The seller
- Not advantageous to either buyer or seller
- Advantageous to buyer and seller
46. 43. The incoterm Delivered Duty paid

*Mark only one oval.*

- [ ] Is advantageous to the seller
- [ ] Neither advantageous to seller nor to the buyer
- [ ] Is advantageous to the seller and the buyer
- [ ] Is advantageous to the buyer

47. 44. The bill of lading is a

*Mark only one oval.*

- [ ] Non-Negotiable document
- [ ] Is only a transportation document
- [ ] Is a negotiable document
- [ ] Indicates the name of the ship

48. 45. The air way bill is a

*Mark only one oval.*

- [ ] Certificate of receipt by the carrier
- [ ] Is only a transportation document
- [ ] Is a negotiable document
- [ ] Indicates the flight number of the cargo

49. 46. Maritime insurance covers the

*Mark only one oval.*

- [ ] Loss (if any) occurring in the transaction
- [ ] Loss (if any) due to non-payment by the bank
- [ ] Loss or damage to transport or cargo between the point of origin and point of delivery
- [ ] Loss (if any) due to the contract failing
50. 47. Hedging is a method of

*Mark only one oval.*

- [ ] Mitigating the risk in foreign exchange transactions
- [ ] Making profit in the forex market
- [ ] Is the process of buying and selling foreign exchange
- [ ] Is the method followed by banks in selling foreign exchange

51. 48. Canalized items are

*Mark only one oval.*

- [ ] Commodities that can be imported by any importer without any restriction
- [ ] Commodities that can be imported by any importer with restriction
- [ ] Commodities that are imported by through special channels or government
- [ ] Commodities that are imported by banks

52. 49. Sale on high seas

*Mark only one oval.*

- [ ] Carried out by the seller while the goods are at sea
- [ ] Carried out by the consignee while the consignment is at port
- [ ] Carried out by the consignee before the shipment lands at the port of clearance
- [ ] Carried out by the consignee after the shipment is customs cleared at port

53. 50. International trade helps to

*Mark only one oval.*

- [ ] Reduce imports
- [ ] Increase the cost of imports
- [ ] Bring in capital inflows
- [ ] Save on the cost of imports

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