Final Test Semester 2 Paper 12 INDIAN INSTITUTE OF MATERIALS MANAGEMENT International Trade [PGDMM, PGDSCM & L (2 years)]

Instructions:
1. Answer all 50 questions. Each question carries 2 marks. Total: 100 Marks
2. Duration 1 Hour.

*Required

1. Email *

______________________________

2. Name *

______________________________

3. Roll Number *

______________________________

4. International trade provides its contribution majorly towards the development of nations by ascending their income, which ultimately enhances their _________________.

Mark only one oval.

- Population
- Area
- Gross Domestic Product (GDP)
- Human Development Index (HDI)
5. Taxes imposed and collected by the federal governments on imports which increase the prices of goods charged from the customers is known as ____________.

   *Mark only one oval.*
   - [ ] Quotas
   - [ ] Tariffs
   - [ ] Sanctions
   - [ ] Embargoes

6. Generally control on foreign exchange of a country lies with its ____________.

   *Mark only one oval.*
   - [ ] central government
   - [ ] central bank
   - [ ] President
   - [ ] Finance Ministry

7. Foreign Trade Policy of India is announced by Ministry of Commerce and Industry, Government of India in every ____________ years.

   *Mark only one oval.*
   - [ ] 6
   - [ ] 5
   - [ ] 3
   - [ ] 4

8. The ban on the import or export of one or more goods with a specific country is known as ________.

   *Mark only one oval.*
   - [ ] quota
   - [ ] embargo
   - [ ] subsidies
   - [ ] sanction

*Mark only one oval.*

- Mexico
- Brazil
- England
- Spain

2 points

10. Nowadays, countries and organisations all over the world have a strong aspiration to become highly ___________ so that they can survive and grow in the international market and environment.

*Mark only one oval.*

- competitive
- centralise
- profitable
- protective

2 points

11. A market structure which refers to a situation when there is no competitor of the product in the market is known as ____________.

*Mark only one oval.*

- oligopoly
- monopoly
- monopolistic competition
- perfect competition

2 points

12. The central issue in the international economy today is how to overcome simultaneously _______ and ________ and to restore the world economy and world trade to the path towards stable growth.

*Mark only one oval.*

- credit; investment
- recession; inflation
- labour; profit
- export; demand

2 points
13. _________of world merchandise trade had taken place under WTO rules.

Mark only one oval.

☐ 65%
☐ 78%
☐ 88%
☐ 97%

14. The headquarters of IMF are situated in_________.

Mark only one oval.

☐ Geneva
☐ Washington, D.C.
☐ London
☐ Rome

15. In 1964, United Nations Conference on Trade and Development (UNCTAD) was established as the key organ of the United Nations _______.

Mark only one oval.

☐ Security Council
☐ Economic and Social Council
☐ General Assembly
☐ Trusteeship Council

16. As a result of __________, international trade grew substantially after the end of the Second World War.

Mark only one oval.

☐ globalisation
☐ socialisation
☐ industrialisation
☐ imperialisation
17. The financial exchange transaction in which the transaction between the parties is done at a rate of exchange fixed on the transaction date, but settlement takes place at a future date is known as __________.

*Mark only one oval.*

☐ Exchange rate swap  
☐ Exchange rate forward  
☐ Exchange rate arbitrage  
☐ International settlement rate

18. The monetary authority of India, that is, ______ has introduced a wide range of financial instruments to be traded in the Indian exchange markets.

*Mark only one oval.*

☐ SEBI  
☐ IRDA  
☐ RBI  
☐ NSE

19. The first standardised International Monetary System (IMS) was developed on the basis of the ______ standard.

*Mark only one oval.*

☐ US dollar  
☐ classical gold  
☐ Pound sterling  
☐ SDR

20. Exchange rate of a currency depends upon ________ of the currency in the FOREX market.

*Mark only one oval.*

☐ value  
☐ availability  
☐ demand and supply  
☐ acceptibility
21. ____ is an instrument issued by the buyer’s bank which promises to pay an agreed amount to the seller.  

*Mark only one oval.*

- [ ] Letter of Credit
- [ ] Line of Credit
- [ ] Payment Collection
- [ ] Cheque

22. The TRIPS agreement provides patent protection for eligible inventions in products/processes in all fields of technology for at least ____ years.  

*Mark only one oval.*

- [ ] 10
- [ ] 15
- [ ] 20
- [ ] 25

23. The TRIPS agreement calls for a mutually cooperative relationship between the WTO and the ____________.

*Mark only one oval.*

- [ ] World Intellectual Property Organization (WIPO)
- [ ] World Bank
- [ ] IMF
- [ ] UNCTAD

24. The CISG covers international contracts of sale of __________ transactions.

*Mark only one oval.*

- [ ] services
- [ ] durables
- [ ] goods
- [ ] commodity
25. The_________Treaty established the League of Nations after the first World War, which was an inter-governmental organisation to prevent wars in the future.

*Mark only one oval.*

- Paris
- London
- Milan
- Versailles

26. During the Second World War, US atomic bombing was done on the Japanese cities of Hiroshima and _______ to force Japan surrender to the Allies.

*Mark only one oval.*

- Kawasaki
- Nagasaki
- Kyoto
- Osaka

27. ___________ of international relations proposes that the decision making is strongly affected by how the alternative courses of action are framed.

*Mark only one oval.*

- Systems approach
- Realistic approach
- Behavioural approach
- Marxism approach

28. A legal document issued by the carrier to a shipper (transportation company) is known as___________.

*Mark only one oval.*

- Letter of Credit
- Bill of Exchange
- Mate’s Receipt
- Bill of Lading
29. _______ is a bundle of goods carried through on a motor vehicle, ship or aircraft to another territory.  

Mark only one oval.

- Embargo
- Cargo
- Ship
- Mail

30. A _______ is a binding document that a buyer requests from the issuing bank to guarantee that the payment for goods will be transferred to the seller on the performance of the sales contract.  

Mark only one oval.

- Mate’s Receipt
- Bill of Exchange
- Letter of Credit
- Bill of Lading

31. A/An _______ is enforced by a country on imported goods to increase their cost and make them less competitive than the domestically manufactured goods.  

Mark only one oval.

- income tax
- tariff tax
- poll tax
- service tax

32. _______ is a politically influenced counter-measure, which allows the government to encourage the production of domestic goods and services.  

Mark only one oval.

- Internationalisation
- Protectionism
- Globalisation
- Liberalism
33. Trade ______ is the total by which the cost of imports from a country exceeds the revenues from its imports.  

*Mark only one oval.*

☐ surplus  
☐ volume  
☐ embargo  
☐ deficit

34. ______ was founded as a government agency that works under the Ministry of Commerce and Industry for trade promotion.  

*Mark only one oval.*

☐ NSO  
☐ ITPO  
☐ FICCI  
☐ NASSCOM

35. ______ are specially designed zones for aggressive economic activity for the promotion of exports.  

*Mark only one oval.*

☐ Free Trade Zones (FTZs)  
☐ Export Processing Zones (EPZs)  
☐ Free Economic Zones (FEZs)  
☐ Industrial Parks

36. The headquarters of India Trade Promotion Organisation (ITPO) are situated in _______.  

*Mark only one oval.*

☐ Mumbai  
☐ New Delhi  
☐ Noida  
☐ Chennai
37. _______ countries depend on a handful of products, mostly agricultural commodities, that constitute a significant proportion of their gross export earnings.

*Mark only one oval.*

- [ ] Developed
- [ ] European
- [ ] Developing
- [ ] OECD

38. _______ is a third-party network provider appointed by an organisation to simplify the electronic data interchange (EDI).

*Mark only one oval.*

- [ ] E-commerce
- [ ] Value Added Network (VAN)
- [ ] E-market
- [ ] Cloud computing

39. A _______ is a virtual marketplace created by an organisation to offer products and services to other organisations or individuals using the Internet.

*Mark only one oval.*

- [ ] E-market
- [ ] Cloud computing
- [ ] Blockchain
- [ ] E-mail

40. Which of the following is/are the forces of globalisation?

*Mark only one oval.*

- [ ] Advancements in technology
- [ ] Environment
- [ ] Increase in competition
- [ ] All of these
41. Which of the following is not considered as the advantage of international trade?  

*Mark only one oval.*

- [ ] Increased efficiency
- [ ] Goods of better quality
- [ ] Environment protection
- [ ] Exchange of technical knowledge

42. Which of the following is/are the examples of non-tariff barrier?  

*Mark only one oval.*

- [ ] Quotas
- [ ] Embargoes
- [ ] Sanctions
- [ ] All of these

43. Which of these companies follows a polycentric orientation?  

*Mark only one oval.*

- [ ] Transnational company
- [ ] Multinational company
- [ ] Global company
- [ ] All of these

44. Which of the following is not a factor for the countries to trade internationally?  

*Mark only one oval.*

- [ ] To attain new businesses and resources
- [ ] To increase population
- [ ] To enhance the sales and market share
- [ ] Diversification of business
45. India's EXIM policy was first announced in which year? 2 points

*Mark only one oval.*

- 1992
- 1995
- 1997
- 2001

46. Foreign Trade Policy of India is prepared by the ______________. 2 points

*Mark only one oval.*

- Ministry of Finance
- Ministry of Commerce and Industry
- Reserve Bank of India
- Ministry of Law and Justice

47. World Trade Organization was established in which year? 2 points

*Mark only one oval.*

- 1992
- 1993
- 1995
- 1998

48. Who is the main proponent of the classical theories of international trade? 2 points

*Mark only one oval.*

- Adam Smith and David Ricardo
- Karl Marx
- John Maynard Keynes
- Thomas Robert Malthus
49. Which of the following is/are the limitations of the modern theory of International trade?  

*Mark only one oval.*

- [ ] Fails to elucidate the multilateral trade
- [ ] Neglects the differences in currencies
- [x] Ignores terms of trade between developed and developing countries
- [ ] All of these

50. What percentage of the total value of goods produced around the world is exported?  

*Mark only one oval.*

- [ ] 15
- [ ] 25
- [ ] 40
- [ ] 50

51. Which of the following is not a macro international trade environment force?  

*Mark only one oval.*

- [ ] Demographic
- [ ] Political-legal
- [ ] Media
- [ ] Socio-cultural

52. Emerging markets, such as India and China aid in the growth of international trade because of _____________.  

*Mark only one oval.*

- [ ] size of market and availability of cheap labour
- [ ] climate conditions
- [ ] socio-cultural environment
- [ ] political culture
53. Factors which may lead to global economic change include

Mark only one oval.

- globalisation
- interdependence
- industrialisation
- All of these

2 points