

| Serial Number | Module | Level of Difficulty AD/HD | Question   | Option 1                     | Option 2  | Option 3                                   | Option 4                        | Correct Answer |
|---------------|--------|---------------------------|--|------------------------------|---|--|---------------------------------|----------------|
| 1             | I      | AD                        | Trade between two countries is called  | Internal trade               | Intra-Country trade                                     | Intra-State Trade                          | International Trade             | 4              |
| 2             | I      | AD                        | According to Classical economists, ___ is the reason for a country to specialise in the production of a commodity                                    | Internalisation              | Cost differences  | International Division of labor            | Special Commodities             | 3              |
| 3             | I      | HD                        | International trade is the result of an advantage country possesses in producing a particular commodity at a ___                                     | Lower Cost                   | Equal cost  | Higher cost                                | Constant Cost                   | 1              |
| 4             | I      | AD                        | Absolute difference in Cost is explained by ___  | David Ricardo                | Adam Smith  | J.S.Mill                                   | Alfred Marshall                 | 2              |
| 5             | I      | AD                        | According to Adam Smith, international trade is advantageous for all participating countries only if they enjoy ___ difference in cost of production | Comparative                  | Equal   | Absolute                                   | Unequal                         | 3              |
| 6             | I      | HD                        | Who aid the following, " The essence of international trade is not the absolute difference in cost but a comparative difference in cost."            | Adam Smith                   | David Ricardo   | J.S.Mill                                   | Alfred Marshall                 | 2              |
| 7             | I      | AD                        | Ricardian theory has ___ countries and ___ commodities   | 3,2                          | 2,3   | 2,4  | 2,2                             | 4              |
| 8             | I      | AD                        | Which of the following is NOT an assumption of Comparative Cost Advantage Theory?  | Perfect Competition          | Increasing return to scale                              | Perfect Mobility of labor within countries | Homogeneous labor               | 2              |
| 9             | I      | HD                        | Comparative Advantage is expressed in ___  | Absolute Cost                | Variable cost   | Cost ratios                                | Marginal Cost                   | 3              |
| 10            | I      | AD                        | England 1 unit wine = 1/2 unit cloth, Portugal 1 unit wine = 1 unit cloth. This is an example of   | Comparative Cost             | Absolute Cost   | Relative Cost                              | Unequal Cost                    | 1              |
| 11            | I      | AD                        | Comparative Advantage theory is based on ___ value   | Cost theory                  | Productivity theory                                     | Quality theory                             | labor theory                    | 4              |
| 12            | I      | HD                        | No change in technology, no transport cost, constant returns to scale - these assumptions make the Comparative Cost advantage theory                 | Dynamic                      | Redundant   | Static                                     | Unacceptable                    | 3              |
| 13            | I      | AD                        | If a country enjoys an absolute advantage in the production of all commodities then also trade is possible". Who said this?                          | Adam Smith                   | David Ricardo   | J.S.Mill                                   | Alfred Marshall                 | 2              |
| 14            | I      | AD                        | According to H-O theory, International trade is, but a special case of ___ trade.  | Inter-state                  | Intra state   | Intra-Country                              | Inter-regional                  | 4              |
| 15            | I      | HD                        | H-o Theory s based on ___ value theory.  | Partial                      | Semi-partial  | General                                    | Semi-General                    | 3              |
| 16            | I      | AD                        | H-O Theory is a ___ model  | 1 X 1 X 1                    | 2 X 2 X 2   | 3 X 3 X 3                                  | 4 X 4 X 4                       | 2              |
| 17            | I      | AD                        | Commodity Y is Capital intensive if  | $Ky / Ly = Kx / Lx$          | $Ky / Ly < Kx / Lx$                                     | $Ky / Ly > Kx / Lx$                        | $Ky > Kx$                       | 3              |
| 18            | I      | HD                        | If, England 1 wine = 1/2 cloth and if Portugal 1 wine = 1 cloth, this is an example of   | Comparative advantage        | Absolute Advantage                                      | Similar Cost                               | Unequal Cost                    | 1              |
| 19            | I      | AD                        | If Commodity Y requires 2 units of capital and 2 units of labor and commodity X requires 1 unit of capital and 4 units of labor then Y is            | Labor intensive              | Labor specific  | Capital Intensive                          | Capital Specific                | 3              |
| 20            | I      | AD                        | Factor intensity is measured in ___ terms  | Absolute Cost                | Factor ratios   | Relative Cost                              | Frequency of capital labor      | 2              |
| 21            | I      | HD                        | Total amount of labor in Nation 1 is greater than labor in nation 2 if   | $TK1 / TL1 > TK2 / TL2$      | $TK1 / TL1 < TK2 / TL2$                                 | $TK1 / TL1 = TK2 / TL2$                    | $TL1 > TL2$                     | 1              |
| 22            | I      | AD                        | Factor abundance can be explained using  | Demand curve                 | Supply curve  | Tangent                                    | PPC                             | 4              |
| 23            | I      | AD                        | A nation is capital abundant if  | $PK1 / PL1 < PK2 / PL2$      | $PK1 / PL1 > PK2 / PL2$                                 | $PK1 / PL1 = PK2 / PL2$                    | $PK1 < PK2$                     | 2              |
| 24            | I      | HD                        | Abundance of a factor makes it   | Easy                         | More  | Expensive                                  | Cheap                           | 4              |
| 25            | I      | AD                        | $r1 / w1 < r2 / w2$ means  | Nation 1 is capital abundant | Nation 1 is labor abundant                              | Nation 2 is capital abundant               | Nation 2 has high wages         | 1              |
| 26            | I      | AD                        | The rate at which goods are exchanged between two countries is called  | Import price                 | Export rate   | Foreign exchange                           | Terms of trade                  | 4              |
| 27            | I      | HD                        | The ratio of price of export to price of import is called  | Import price                 | Export rate   | Foreign exchange                           | Terms of trade                  | 4              |
| 28            | I      | AD                        | $Px / Pm$ is   | Gros barter terms of trade   | Net Barter terms of trade                               | Terms of trade                             | Commodity terms of trade        | 3              |
| 29            | I      | AD                        | When many commodities are traded terms of trade is expressed as ___ of its export prior to import price  | sum                          | multiple  | index ratio                                | index                           | 3              |
| 30            | I      | HD                        | If import prices rise more than export prices, terms of trade have   | improved                     | deteriorated  | increased                                  | advanced                        | 2              |
| 31            | I      | AD                        | If $Tc = 125/150 * 100 = 83.33$ then T-O-T have worsened by  | 15.50%                       | 16%   | 16.66%                                     | 16.70%                          | option 3       |
| 32            | I      | AD                        | The limitations of Commodity terms of trade gave rise to ___   | Net barter terms of trade    | gross barter term of trade                              | single factorial terms of trade            | double factorial terms of trade | 2              |
| 33            | I      | HD                        | A favourable terms of trade indicates ___ imports for given exports  | more                         | less  | lower                                      | same                            | 1              |
| 34            | I      | AD                        | ___ is equally important as price of exports   | Income from exports          | Production level of exports                             | amount of labor from exports               | raw materials used for exports  | 1              |
| 35            | I      | AD                        | A decline in price would increase exports if demand is   | inelastic                    | elastic   | constant                                   | fluctuating                     | 2              |
| 36            | I      | HD                        | ___ introduced the concept of Gross barter terms of trade  | Adam Smith                   | Alfred Marshall   | F W Taussig                                | David Ricardo                   | 3              |
| 37            | I      | AD                        | Single factorial terms of trade take in to account   | Export and import prices     | Changes in efficiency of factors producing export goods | Changes in demand for imports              | Changes in demand for exports   | 2              |

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|----|----|----|---|--|---|--|--|---|
| 38 | I  | AD | Two countries can gain from foreign trade if  | Cost ratios are different                            | Price ratios are different                              | Both cost ratios and price ratios are different                    | Tariffs are different  | 3 |
| 39 | I  | HD | J.S.Mill brought in ____ factor to explain terms of trade   | cost   | demand  | supply   | quality  | 2 |
| 40 | I  | AD | Reciprocal demand is  | Mutual demand of two countries to each other's goods | Mutual supply   | price of export and import   | Investment   | 1 |
| 41 | I  | AD | The developing Countries it is argued usually   | Enjoy Favourable terms of trade                      | Suffers from adverse terms of trade                     | have better income terms of trade                                  | have better bargaining power   | 2 |
| 42 | I  | HD | Comparative advantage occurs when .....than other country .   | A country has more population                        | A country can produce more goods                        | A country has a lower opportunity cost in the production of a good | A country has more product lines   | 3 |
| 43 | I  | AD | A tariff-----   | Increases the volume of trade                        | Reduces the volume of trade                             | Has no effect on the volume of trade                               | encourages foreign goods   | 2 |
| 44 | I  | AD | Terms of trade of less developed countries are generally unfavourable because   | They export primary goods                            | They export capital goods                               | They export few goods  | They import few goods  | 1 |
| 45 | I  | HD | According to J S Mill, equilibrium terms of trade is determined by ____ demand  | Market   | Aggregate   | Effective  | Reciprocal   | 4 |
| 46 | I  | AD | Marshall and Edgeworth introduced a geometrical device to explain the gains from trade which is known as  | Indifference curve                                   | Offer curve   | Isoquant   | Demand curve   | 2 |
| 47 | I  | AD | The concept of offer curves is associated with the names of   | David Ricardo  | J S Mill and Alfred                                     | Alfred Marshall and  | Edgeworth and Pareto   | 3 |
| 48 | I  | HD | The offer curve of a country is based on  | Relative prices                                      | Price of exports  | Price of imports   | Volume of exports  | 1 |
| 49 | I  | AD | Reciprocal demand is  | Mutual supply  | Ratio of volume of                                      | Ratio of earnings of   | Mutual demand of two   | 4 |
| 50 | I  | AD | In a free world in which no restrictions exist, international trade will lead to  | Reduced real living standards                        | Reduced efficiency                                      | Reduced real GDP   | Increased efficiency   | 4 |
| 51 | II | HD | A commercial policy is a government policy related to ____.   | Commercial transactions of private companies         | Economic transactions across international borders      | Commercial transactions of developed countries                     | Taxes  | 2 |
| 52 | II | AD | The classical economist Adam Smith was a champion of ____.  | Protectionism  | Free Trade  | Trade Wars   | Intra industry trade   | 2 |
| 53 | II | AD | The origin of protectionist policy can be traced back to ____.  | Free trade era                                       | Mercantilists days                                      | Globalisation period   | Brettonwoods system  | b |
| 54 | II | HD | Infant Industry Argument is justified for ____.   | Protecting old industries                            | For enabling competitive efficiency of industries       | For strengthening public sector                                    | For allowing free trade  | 2 |
| 55 | II | AD | Pick out the wrong statement.   | Tariffs are primarily levied to earn revenue.        | Tariffs are levied to protect domestic industries.      | Tariffs reduce the prices of the commodity on which it is levied.  | Tariffs affect the income and employment.  | 3 |
| 56 | II | AD | Pick out the wrong statement.   | Tariffs restrict trade                               | Import quotas have a direct effect in reducing imports  | Voluntary export restraint is an example of tariff barriers.       | An export subsidy is a government grant given to an export firm.                   | 3 |
| 57 | II | HD | Economic integration means.   | Application of tariffs                               | Removal of customs duties                               | Banning the movement of goods and services                         | banning trade  | 2 |
| 58 | II | AD | _____ is the highest form of economic integration.  | Preferential trading system                          | Free trade union  | Customs union  | Economic union   | 4 |
| 59 | II | AD | The European Economic Community (EEC) was founded in 1957 under the treaty of ____.   | Paris  | Rome  | Washington   | Verailles  | 2 |
| 60 | II | HD | Pick out the feature which does not describe European Union.  | Common currency                                      | Elimination of customs duties on the movement of goods. | Independent policies for agriculture among member nations.         | Creation of a European Social Fund to improve employment opportunities of workers. | 3 |
| 61 | II | AD | European union was initially formed with ____ European countries.   | 27   | 28  | 6  | 5  | 3 |
| 62 | II | AD | Prime Minister ____ announced the government's intention that U.K. will not seek permanent membership of the European single market or the EU customs union after leaving the EU. | David Cameroon                                       | Trump   | Narendra Modi  | Theresa May  | 4 |
| 63 | II | HD | The referendum for Brexit was held on ____.   | July 1st 2017  | June 23rd 2016  | September 1, 2017  | July 23rd 2016   | 2 |
| 64 | II | AD | The full form of ASEAN is ____.   | Association of South East African Nations            | Association of South Europe Allied Nations              | Association of South East Asian Nations                            | Association of Southern, eastern European Nations                                  | 3 |
| 65 | II | HD | ASEAN was formed with the signing of ____.  | European declaration                                 | American declaration                                    | Asean declaration  | Bangkok declaration  | 4 |

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| 66 | II | AD | Pick out the wrong statement.   | The objective of ASEAN is to achieve economic, political, social and cultural co-operation among its members. | U.K. is a member of ASEAN                              | There will be free movement of goods and services within ASEAN | ASEAN FTA will improve business competitiveness between the members. | 2 |
| 67 | II | AD | The objective of commercial policy is / are _____.  | increase trade relation   | endanger domestic market                               | allow import of goods  | Restrict exports   | 4 |
| 68 | II | HD | Under free trade _____ benefit more.  | consumer  | agents   | middlemen  | traders  | 1 |
| 69 | II | AD | Under free trade _____ will be higher.  | wages   | trade wars   | civil wars   | restrictions   | 1 |
| 70 | II | AD | Free trade is based on the principle of _____.  | Comparative cost advantage  | Comparative disadvantage                               | Production possibility advantage                               | Equal cost   | 1 |
| 71 | II | HD | Which of the following is not an argument for protectionism _____.  | to protect infant industries  | to increase the level of imports                       | to protect small industries                                    | to improve the balance of payments                                   | 2 |
| 72 | II | AD | A tariff is a tax on _____.   | domestic goods and services   | foreign goods and service                              | quality of goods   | None of the above  | 2 |
| 73 | II | AD | Protectionism _____   | increase the quality of imports   | decrease the government revenue                        | increase the government earnings from tax                      | decrease the government earnings from tax                            | 3 |
| 74 | II | HD | Which of the following is an argument for free trade _____.   | prevents monopolies   | unfavourable terms of trade                            | unfavourable balance of payments                               | allows monopolies  | 1 |
| 75 | II | AD | The main objective of trade barriers are _____.   | to discourage new industries domestically   | to reduce unnecessary imports                          | to spend valuable foreign exchange                             | To allow free trade  | 4 |
| 76 | II | AD | _____ is a type of tariff barriers.   | Embargo   | Ad-valorem duties                                      | Product standard   | Consular Formalities   | 2 |
| 77 | II | HD | _____ is a type of non – tariff barriers.   | Import Quotas   | Export duties  | Import Duties  | Specific Duties  | 1 |
| 78 | II | AD | An international trading company of the Government of India _____.  | State Transport Corporation   | State Service Corporation                              | State Trading Corporation                                      | All of the above   | 3 |
| 79 | II | AD | Consular documents include _____.   | Certificate of origin   | Export certificates                                    | Uncertified consular invoices                                  | Bills of exchange  | 1 |
| 80 | II | HD | Trade barriers are often called _____.  | Free trade  | Protection   | Trade wars   | Economic integration   | 2 |
| 81 | II | AD | Redistribution effect is called _____.  | Revenues effect   | Consumption effect                                     | Productive effect  | Transfer effect  | 4 |
| 82 | II | AD | Imposing of tariff, raises domestic prices causing fall in consumption of domestic goods is _____.                      | Protective effect   | Revenue effect   | Consumption effect   | Terms of trade effect  | 3 |
| 83 | II | HD | _____ is the World's largest single market area.  | European Union  | India  | Pakistan   | Srilanka   | 1 |
| 84 | II | AD | At present, European Union consist of _____ member countries.   | 26  | 27   | 28   | None of these above  | 3 |
| 85 | II | AD | When an economy union involves unifying currency it becomes _____.  | Customs Union   | Trade Union  | Economic and Monetary Union                                    | Trade area   | 3 |
| 86 | II | HD | _____ is an official institution of the European Union.   | European Council  | European Parliament                                    | European Commission  | European Investment Bank   | 1 |
| 87 | II | AD | Euro is the official currency for _____ member countries of European Union.   | 16  | 17   | 18   | 19   | 4 |
| 88 | II | AD | The _____ is the single currency of the European Union.   | dollar  | euro   | yen  | pound  | 2 |
| 89 | II | HD | _____ is the second largest currency in the world.  | Dollar  | Euro   | Yen  | Pound  | 2 |
| 90 | II | AD | _____ became an ASEAN dialogue partner in 1995.   | India   | Pakistan   | Srilanka   | USA  | 1 |
| 91 | II | AD | Look East Policy has now transformed into a _____.  | Act European Policy   | Act East Policy  | Act West Policy  | East Asia Policy   | 2 |
| 92 | II | HD | The referendum for Brexit was held on _____.  | 23-Jun-16   | 23-Jun-17  | 23-Aug-17  | 23-Jun-18  | 1 |
| 93 | II | AD | ASEAN was formed in _____.  | 1947  | 1967   | 1977   | 1987   | 1 |
| 94 | II | AD | _____ is a statement of a systematic record of all economic transactions between one country and the rest of the world. | Deficit   | Surplus  | Balance of payments  | Budget   | 3 |
| 95 | II | HD | Pick out the wrong statement.   | Tariff restricts t  | Import quotas have a direct effect in reducing imports | Voluntary export restraint is an example of tariff barriers.   | An export subsidy is a government grant given to an export firm      | 3 |
| 96 | II | AD | The consumption effect of tariffs forces consumers to _____.  | increase their consumption due to tariffs.  | pay lower price due to tariffs.                        | reduce their consumption due to tariffs.                       | depend on imports for consumption                                    | 3 |
| 97 | II | AD | Import embargo is an important retaliatory measure against _____.   | dumping   | exports  | domestic producer  | domestic farmers   | 1 |
| 98 | II | HD | Which of the following Non – Tariff Barriers prevents free movement of capital between countries?                       | preferential government procurement   | Exchange Controls                                      | Domestic subsidies   | Local content requirement  | 2 |

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| 99  | II | AD | _____ is a measure under which a commodity of a specific volume or value is allowed to be imported in the country.     | Voluntary Export Restraints                            | Combined duty                           | Import quota   | Revenue tariff                                 | 3 |
| 100 | II | AD | Which of these are objectives of import quotas?  | Correcting disequilibrium in the balance of payment    | To allow dumping                        | To allow speculative activities                          | To allow excess supply in the domestic economy | 1 |
| 101 |    | HD | In the _____ account, only transactions relating to goods are entered.   | invisible account                                      | Capital account                         | trade  | Current account                                | 3 |
| 102 |    | AD | _____ means a decline in the rate of exchange of one country in terms of another's.                                    | Deflation  | Tariff                                  | Exchange Depreciation                                    | exchang devaluation                            | 3 |
| 103 |    | HD | Restrictions on the use of foreign exchange by the Central bank are called _____.                                      | exchange controls                                      | Official transfers                      | Foreign exchange reserves                                | LAF  | 1 |
| 104 |    | AD | _____ are duties levied on imports.  | Tariffs  | Deflation                               | Exchange control   | Qoutas   | 1 |
| 105 |    | AD | Restrictions imposed on the quantity of imports is _____.  | Surplus  | Quotas                                  | Balance  | Tariffs  | 2 |
| 106 |    | HD | Balance of payment always _____.   | Deficit  | balances                                | Surplus  | Equal  | 2 |
| 107 |    | AD | _____ term long run disequilibrium as fundamental disequilibrium.  | Tariff   | IMF                                     | trade  | WTO  | 2 |
| 108 |    | AD | WTO replaced _____ in 1995.  | GATT   | WTO                                     | UN   | UNESCO   | 1 |
| 109 |    | HD | TRIPs deals with _____.  | intellectual property rights                           | Foreign investment                      | Foreign aid  | Agriculture                                    | 1 |
| 110 |    | AD | Protection is made available for _____ years for patents.  | 20   | 30                                      | 10   | 40   | 1 |
| 111 |    | AD | The terms of _____ is 50 years.  | copyright  | Services                                | patent   | Trademarks                                     | 1 |
| 112 |    | HD | The current account of balance of payment does not include :   | Balance of visible trade                               | Import of services                      | Unilateral services                                      | Foreign investment                             | 4 |
| 113 |    | AD | Pick out the item which is not a part of unilateral transfers.   | Gifts  | Grants                                  | Loan   | Donation                                       | 3 |
| 114 |    | AD | Donations, grants, gifts and such other payments which do not have counter obligations are known as :                  | Grants   | Aid                                     | Unilateral flows   | Bilateral flow                                 | 3 |
| 115 |    | HD | If the deficits in a country's BOP persists for a long time it is a case of :  | Structural disequilibrium                              | Fundamental disequilibrium              | Cyclical disequilibrium                                  | temporary disequilibrium                       | 2 |
| 116 |    | AD | Disequilibrium in the BOP caused by changes in the demand or supply relations of exports or imports or both refer to : | Cyclical disequilibrium                                | Short Run disequilibrium                | Structural disequilibrium                                | Fundamental disequilibrium                     | 3 |
| 117 |    | AD | Which of the following is not a non monetary measure to correct the disequilibrium in BOP ?                            | Tariff   | Import quotas                           | Export promotion   | Devaluation                                    | 4 |
| 118 |    | HD | TRIMS include measures to :  | Treat foreign investment on par with domestic income   | Remove quantitative restrictions        | Treat foreign investment on par with domestic investment | Remove qualitative retrictions                 | 3 |
| 119 |    | AD | Pick out the one which is not true of GATS :   | Services and service activities are covered under GATS | National treatment to members           | No market access to service supplier's                   | No discrimination between service suppliers    | 3 |
| 120 |    | AD | Pick out the feature which is not true of the Agreement on Agriculture.  | Reduce domestic subsidies                              | reduce export subsidies                 | Increase tariffs   | Increase trade in agricultural goods           | 3 |
| 121 |    | HD | In balance of payment account, all goods exported and imported are recorded in _____.                                  | Capital account  | Merchandise account                     | Invisible account  | Current account                                | 3 |
| 122 |    | AD | Gifts and charities account are also known as :  | Export   | Unilateral transfer                     | Import   | Long-term borrowing                            | 3 |
| 123 |    | AD | In BOP, total receipts must be equal to total _____.   | payment  | deficit                                 | income   | revenue  | 1 |
| 125 |    | HD | Reducing the value of domestic currency in term of foreign currency :  | Deflation  | Exchange control                        | Tariff   | Devaluation                                    | 4 |
| 125 |    | AD | The current account in the balance of payments _____.  | is a total of all the visible items of trade           | includes merchandise trade and services | always shows a surplus                                   | includes autonomous and accommodating flows    | 2 |
| 126 |    | AD | Good performance on _____ has helped India to improve its current account balance in recent times.                     | trade account  | invisible account                       | Capital account  | reserves account                               | 2 |
| 127 |    | HD | After covering deficits on current account, excess capital account receipts are added to _____.                        | IMF account  | Official transfers                      | Foreign exchange reserves                                | Bank capital                                   | 3 |
| 128 |    | AD | Reducing public expenditure to correct BOP disequilibrium is a _____ measure.  | Monetary   | Fiscal                                  | Special  | Commercial                                     | 2 |
| 129 |    | AD | _____ is not a cause of deficit in balance of payments.  | increase in import                                     | fall in exports                         | capital outflow  | capital inflows                                | 4 |
| 130 |    | HD | Devaluation of a currency is brought about by the _____.   | World Bank   | Asian Development Bank                  | International Finance Corporation                        | Government                                     | 4 |
| 131 |    | AD | When total exports are more than total imports then current account of balance of payment is in _____.                 | Deficit  | Balance                                 | Surplus  | Unequal  | 3 |

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|-----|--|----|---|--|--|--|--------------------------------------|---|
| 132 |  | AD | _____ disequilibrium is chronic in nature.  | Cyclical                                 | Fundamental                            | Structural                                 | Monetary                             | 2 |
| 133 |  | HD | Expenditure switching policy is also known as _____.  | Devaluation                              | Revaluation                            | Appreciation                               | Depreciation                         | 1 |
| 134 |  | AD | _____ term long run disequilibrium as fundamental disequilibrium .  | IMF                                      | UN                                     | WTO  | World Bank                           | 1 |
| 135 |  | AD | WTO replaced GATT and came into existence on _____.   | 1 <sup>st</sup> January 1957             | 1 <sup>st</sup> January 1991           | 1 <sup>st</sup> January 1995               | 1 <sup>st</sup> January 1996         | 2 |
| 136 |  | HD | TRIPs stand for _____.  | Trade Related Investment Property Rights | Trade Related Investment Public Rights | Trade Related Intellectual Property Rights | Trade Related Investment in services | 3 |
| 137 |  | AD | Under _____ the foreign investors will be given same rights as the national investor in the matter of investment. | TRIPs                                    | TRIMs                                  | GATs                                       | AoA                                  | 2 |
| 138 |  | AD | GATs deals with trade in _____.   | Services                                 | patent                                 | copyright                                  | trademarks                           | 1 |
| 139 |  | HD | TRIMs deals with _____.   | Foreign investment                       | Foreign aid                            | Services                                   | Goods                                | 1 |
| 149 |  | AD | _____ agreement deals in trade in services  | TRIMs                                    | TRIPs                                  | GATs                                       | UNCTAD                               | 3 |
| 141 |  | AD | The WTO agreements cover _____.   | TRIPs                                    | IMF                                    | UNCTAD                                     | ASEAN                                | 1 |
| 142 |  | HD | WTO promote _____ trade.  | bilateral                                | multilateral                           | unilateral                                 | restricted                           | 2 |
| 143 |  | AD | The only international organisation dealing with the global rules of trade between nations.                       | WTO                                      | UN                                     | IMF  | World bank                           | 1 |
| 144 |  | AD | Along with the world bank and _____ WTO is the third economic pillar of world-wide dimensions.                    | International econ                       | International Monetar                  | International Develo                       | International funding or             | b |
| 145 |  | AD | TRIPS (trade-related aspects of intellectual property rights) agreement is administered by _____.                 | world bank                               | united nations organiz                 | World trade organiz                        | United nations conferen              | c |
| 146 |  | HD | Who is most recently appointed the Ambassador & Permanent Representantive of india to WTO?                        | JS Deepak                                | TS Deepak                              | Anwar Hussain Sha                          | Brajendra Navnit                     | d |
| 147 |  | AD | Which of the institutions is not a part of the world bank community?  | IFC                                      | IDA                                    | WTO  | IBRD                                 | c |
| 148 |  | AD | Which of the following categories of agricultural subsidies are allowed under WTO?                                | Green box                                | Blue box                               | Red box                                    | Amber box                            | a |
| 149 |  | HD | The _____ declaration recognised that the TRIPs agreement should protect public health.                           | Brazil                                   | Doha                                   | Bandung                                    | Singapore                            | b |
| 150 |  | AD | TRIMs deals with _____.   | Foreign investme                         | Foreign aid                            | Services                                   | Goods                                | a |
| 151 |  | AD | _____ refers to the rate at which the transaction take place at a future date.                                    | Forward exchange rate                    | Arbitrage                              | Spot exchange rate                         | Hedging                              | 1 |
| 152 |  | HD | _____ refers to the process of buying and selling a foreign currency in two different market at same time.        | Arbitrage                                | Speculation                            | Spot exchange rate                         | Hedging                              | 1 |
| 153 |  | AD | Transactions in the foreign exchange market are carried out are termed as _____.                                  | fixed rate                               | forward rate                           | exchange rate                              | Hedging                              | 3 |
| 154 |  | AD | Demand for foreign exchange varies _____ with the exchange rates.   | Direct                                   | Negative                               | inversely                                  | positive                             | 3 |
| 155 |  | HD | When supply of foreign exchange is increased given the demand for foreign exchange, the rate of exchange _____.   | decrease                                 | increases                              | Direct                                     | upward                               | 1 |
| 156 |  | AD | When demand for foreign exchange increases, the exchange rate _____.  | increases                                | inversely                              | decrease                                   | unrelated                            | 1 |
| 157 |  | AD | The relative version is considered to be _____ to absolute version.   | superior                                 | Gustav Cassel                          | selection of index numbers                 | inferior                             | 1 |
| 158 |  | HD | The relative version of the PPP theory is propounded by _____.  | Cassel                                   | Adam Smith                             | J.S.Mill                                   | Alfred Marshall                      | 1 |
| 159 |  | AD | According to _____ theory, the exchange rate between two currencies is determined by their purchasing power.      | Purchasing Power Parity                  | Balance of payment theory              | Mint parity theory                         | Comparative advantage theory         | 1 |
| 160 |  | AD | The ----- is the largest market in the world.   | foreign exchange market                  | NSE                                    | BSE  | NASDAQ                               | 1 |
| 161 |  | HD | The countries of the world are following the exchange rate system.  | fixed                                    | flexible                               | restrictive                                | strict                               | b |
| 162 |  | AD | _____ is a feature of the foreign exchange market which enables an investor to earn high returns.                 | cost                                     | Leverage                               | revenue                                    | profit                               | b |
| 163 |  | AD | _____ has enabled faster growth of the foreign exchange market.   | Technology                               | Leverage                               | Internaltrade                              | exchange rate                        | a |
| 164 |  | HD | _____ function refer to the function of converting one currency into another.                                     | Arbitrage                                | booking                                | asking                                     | hedging                              | 4 |
| 165 |  | AD | _____ are authorized to deal in foreign exchange transactions.  | Moneylenders                             | Money launderers                       | Commercial banks                           | RRBs                                 | 3 |
| 166 |  | AD | Investment in financial assets like shares or bonds abroad will _____ the demand for foreign exchange.            | incae                                    | decrease                               | keep constant                              | fluctuate                            | 1 |
| 167 |  | HD | A _____ country requires more foreign exchange.   | developing                               | developed                              | hermit nation                              | restrictive                          | a |
| 168 |  | AD | Services rendered by the domestic country to foreign counter parts increase the _____ of foreign exchange.        | supply                                   | demand                                 | manufacture                                | produce                              | 1 |
| 169 |  | AD | Unilateral payments received _____ the supply of foreign exchange.  | increase                                 | decrease                               | does not change                            | drastically changes                  | 1 |
| 170 |  | HD | _____ rate variations can affect the equilibrium exchange rate.   | Birth                                    | death                                  | inflation                                  | production                           | 3 |
| 171 |  | AD | Interest rate differentials _____ the exchange rate.  | affect                                   | tandardised                            | localise                                   | neutralise                           | 1 |
| 172 |  | AD | The degree of _____ achieved affect the exchange rate.  | education                                | health                                 | growth                                     | currency                             | 3 |

|     |  |    |  |   |   |   |   |   |
|-----|--|----|--|---|---|---|---|---|
| 173 |  | HD | The purchasing power parity theory the difference in the quality of goods.   | considers                                     | appreciates   | ignores   | values  | 3 |
| 174 |  | AD | The PPP theory capital transfers.  | considers                                     | appreciates   | ignores   | values  | 3 |
| 176 |  | AD | The ___ rate is determined by the demand for and supply of a currency.   | spot  | forward rate  | option  | futures   | 1 |
| 176 |  | HD | The difference between bid price and ask price s the   | loss  | profit  | value   | difference  | 2 |
| 177 |  | AD | ___ exchange rate may be either at a premium or discount or at par.  | spot  | forward   | current   | option  | 2 |
| 178 |  | AD | In a system of managed float there is less chance of speculation.  | flexible                                      | managed float   | fixed   | restrictive   | 2 |
| 179 |  | HD | is done to overcome uncertainties.   | Arbitrage                                     | Hedging   | speculation                                       | locking   | 2 |
| 180 |  | AD | is the opposite of hedging.  | Arbitrage                                     | locking   | speculation                                       | blocking  | 3 |
| 181 |  | AD | The modern foreign exchange market functions in a system of  | Fixed exchange rate                           | Gold standard   | Britton Wood system                               | Floating exchange rate                                    | 4 |
| 182 |  | HD | Pick out the feature which is not true of the foreign exchange market.   | Buying and selling of currencies              | Largest market  | High liquidity                                    | Existence of a central market place                       | 4 |
| 183 |  | AD | In the determination of the exchange value of a currency, the first currency of a currency pair is called                      | Price currency                                | Hard currency   | Base currency                                     | bitcoin   | 3 |
| 184 |  | AD | The currency used for international transactions irrespective of the importing or exporting country's currency is called       | Soft currency                                 | Bitcoin   | Vehicle currency                                  | value currency  | 3 |
| 185 |  | HD | Pick out the feature which is not true of the foreign exchange market.   | It is open 24 hours a day                     | Not one single entity can control the market  | Huge market                                       | It has limited geographical dispersion                    | 3 |
| 186 |  | AD | ___ enables an investor to earn high returns while minimizing capital risks.   | Liquidity                                     | Reserves  | Returns   | Leverage  | 4 |
| 187 |  | AD | Trading in foreign exchange has become fast and simple due to  | Simple procedures                             | Geographical proximity  | Improved technology                               | Bullet trains   | 2 |
| 188 |  | HD | Pick out the feature which is not true of the foreign exchange market.   | Huge trading volumes                          | Operates throughout the week  | Presence of a risk element                        | Leverage enables to make profit                           | 2 |
| 189 |  | AD | The provision of foreign bills of exchange in international payments in an example of  | Transfer function                             | Credit function   | Speculation                                       | None of the above   | 3 |
| 190 |  | AD | Transaction where the exchange of currencies take place on the same date is known as   | swap transaction                              | ready transaction   | spot transaction                                  | value tomorrow  | 2 |
| 191 |  | HD | Transaction in which exchange of currencies take place at a specified future date, subsequent to spot date is known as,        | swap transaction                              | forward transaction   | future transaction                                | non-deliverable forwards                                  | 2 |
| 192 |  | AD | Transaction in which currencies to be exchanged the next day of the transaction is known as                                    | value today                                   | ready transaction   | spot transaction                                  | value tomorrow  | 4 |
| 193 |  | AD | According to the Purchasing Power Parity theory, the rate of exchange between the currencies of two countries is determined by | their relative price levels                   | their import and export volumes   | their import and export values                    | their relative capital movements                          | 1 |
| 194 |  | HD | Which of the following is not an assumption of the Purchasing Power Parity theory?   | There are no trade barriers between countries | The price index for each of the two countries must be comprised of the same basket of goods | All the prices should be indexed to the same year | Changes in the exchange rate changes internal price level | 4 |
| 195 |  | AD | Exchange rate between two currencies is based on   | purchasing power of two currencies            | economic development of the two nation  | political stability in the two countries          | export - import in two countries                          | 1 |
| 196 |  | AD | Purchasing Power Parity Theory considers that goods in different countries are   | differential                                  | identical   | superior  | inferior  | 2 |
| 197 |  | HD | Under IMF, the exchange rate system was  | gold standard                                 | currency board system   | dollarization                                     | EURO  | 1 |
| 198 |  | AD | Under managed float, the central bank of a nation intervenes to foreign currency.  | only purchase                                 | only sell   | purchase and sell                                 | auction   | 1 |
| 199 |  | AD | Flexible exchange rate system, the exchange rate is determined by  | Market forces                                 | Central Bank  | commercial bank                                   | Scheduled Bank  | 1 |
| 200 |  | HD | India has adipted Exchange rate system.  | Fixed   | Flexible  | Managed   | Stable  | 3 |