

Total No. of Printed Pages—7

**4 SEM TDC IBEV 4 (Sp) (N/O)**

**2 0 1 6**

( May )

COMMERCE

( Speciality )

Course : 404

**( International Business Environment )**

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

( New Course )

Full Marks : 80

Pass Marks : 24

1. (a) Write True or False : 1×4=4

(i) The theory of comparative advantage demonstrates that mutually advantageous trade cannot occur when one trading partner has an absolute advantage.

(ii) Technological changes do not affect the terms of trade of a country.

(iii) The capital account of a country consists of all transactions relating to goods and services, and unilateral transfers.

(iv) The Internet facilitates globalization by cutting the cost for firms of communicating across borders.

(b) Answer as directed :

(i) In balance of payment account, all goods exported and imported are recorded in \_\_\_\_\_ account.

(Fill in the blank) 1

(ii) The comparative cost theory of international trade was propounded by \_\_\_\_\_.

(Fill in the blank) 1

(iii) Write the full form of SAPTA and BPO.

1+1=2

2. Write short notes on any *four* of the following :

4×4=16

(a) Effects of foreign investment

(b) NAFTA

(c) Types of MNCs

(d) Gains from international trade

(e) UNCTAD

(f) Commodity Agreement

3. (a) Describe the nature and scope of international business environment.

7+7=14

Or

- (b) Discuss the different aspects of economic environment that a business manager must consider to operate internationally.

14

4. (a) Discuss Heckscher-Ohlin theory of international business and the conditions underlying it.

14

Or

- (b) What do you mean by disequilibrium in the balance of payment of a country? Discuss about various methods that a country can adopt to correct an adverse balance of payment.

4+10=14

5. (a) What is Foreign Direct Investment (FDI)? Write a critical note on the present structure of FDI in India.

4+10=14

Or

- (b) Discuss the role of Multinational Corporations (MNCs) in the growth of Indian economy.

14

6. (a) Discuss the role of World Bank in the context of economic development of underdeveloped economies. 14

Or

- (b) Briefly explain the objectives of SAARC. How does it help the member countries? 7+7=14

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( Old Course )

Full Marks : 80

Pass Marks : 32

1. (a) Fill in the blanks : 1×4=4

(i) The theory of absolute cost advantage is given by \_\_\_\_\_.

(ii) The World Bank is also known as \_\_\_\_\_.

(iii) The \_\_\_\_\_ was established to implement the final act of Uruguay Round Agreement of GATT.

(iv) The rate of which one currency is exchanged for another currency is known as \_\_\_\_\_.

(b) Write True or False : 1×4=4

(i) Wipro is an Indian multinational company.

(ii) Economic globalization is characterized by international trade and investment flow.

(iii) UNCTAD is a temporary organ of UN General Assembly.

(iv) David Ricardo propounded the theory of comparative costs.

2. Write short notes on any *four* of the following : 4×4=16

- (a) SAARC
- (b) Foreign Exchange Rate
- (c) WTO
- (d) Technology Transfer
- (e) Free Trade Policy
- (f) Types of Foreign Investment

3. (a) Discuss the different environments of international business. 12

Or

(b) Explain the economic and non-economic factors influencing the international business. 6+6=12

4. (a) Examine the classical theory of comparative cost in the context of developing countries. 11

Or

(b) What do you mean by Balance of Payments? Distinguish between Balance of Trade and Balance of payments. 4+7=11

5. (a) What is tariff? Discuss the effects of tariffs on the level of employment and income distribution. 3+8=11

Or

- (b) Discuss the role of foreign trade in the economic development of an underdeveloped country. 11

6. (a) What is Foreign Direct Investment (FDI)? Explain the role of FDI in India's economic development. 4+7=11

Or

- (b) What do you mean by Multinational Corporations (MNCs)? Why do MNCs like to Indianize their operations? Give reasons. 4+7=11

7. (a) Examine the role of International Monetary Fund (IMF) in providing financial assistance to underdeveloped countries. 11

Or

- (b) Examine the main objectives and functions of European Union. 5½+5½=11