

**2 0 1 7**

( 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) Transnational company produces, markets, invests and operates across the world.

(ii) The theory of relative factor endowment is given by David Ricardo.

(iii) The chief mandate of the WTO is to provide lending assistance and grants to countries with poor terms of trade.

(iv) India was granted MFN status by Pakistan in 2011.

1×4=4

(b) Answer as directed :

(i) The ability of a country to produce a good at a lower cost in terms of labour than another country is known as \_\_\_\_\_. (Fill in the blank)

(ii) The \_\_\_\_\_ is the difference between the monetary value of exports and imports of output in an economy over a certain period.

(Fill in the blank)

(iii) Write the full form of OECD.

(iv) The theory of comparative cost advantage is given by \_\_\_\_\_.

(Fill in the blank)

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

4×4=16

(a) Global Trade Point Network

(b) General Agreement on Trade in Services

(c) Strategic Alliances

(d) Absolute difference in Cost

(e) Technology Transfer

(f) Custom Union

3. (a) Define international business environment. Discuss how the home country environment influences foreign business of a firm. 14

Or

- (b) Discuss about political, social and legal factors in the international business environment. 14

4. (a) Explain the theory of comparative costs in a money economy. 14

Or

- (b) What is balance of payments? Explain the causes for disequilibrium in the balance of payments of our country. 4+10=14

5. (a) Why is Foreign Direct Investment important for host and home country? Discuss the FDI environment in India. 7+7=14

Or

- (b) Discuss the characteristics of MNCs. Explain how MNCs can avail advantages in emerging economies like India. 7+7=14

6. (a) What is international economic integration? Discuss various forms of economic integration. 4+10=14

Or

- (b) Write a note on objectives and achievements of international monetary fund. 14

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( Old Course )

Full Marks : 80

Pass Marks : 32

1. (a) Write True or False : 1×4=4

(i) According to the theory of comparative advantage, a country will export a good only if it can produce it using less labour than other country.

(ii) Exim policy is now known as foreign trade policy.

(iii) Globalization refers to global warming and their effects.

(iv) The theory of absolute cost advantage is given by Adam Smith.

(b) Fill in the blanks : 1×4=4

(i) \_\_\_\_\_ implies negative balance of trade.

(ii) GATT was replaced by the WTO in \_\_\_\_\_.

(iii) \_\_\_\_\_ is known for having promoted the principle of comparative advantage.

(iv) The full form of IPR is \_\_\_\_\_.

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

- (a) Terms of Trade
- (b) Floating Exchange Rate
- (c) Restrictive Trade Policies
- (d) International Political Environment
- (e) UNCTAD
- (f) NAFTA

3. (a) What is international business environment? Discuss the importance of international business environment.

3+8=11

*Or*

(b) Discuss how political and legal environments in both home and host countries are important to the international business.

11

4. (a) Discuss critically the modern theory of international trade.

11

*Or*

(b) What is 'gain from international trade'?  
How is this gain determine?

4+7=11

5. (a) Evaluate the advantages and disadvantages of Foreign Direct Investment.  $6+6=12$

Or

(b) Discuss the advantages of MNCs for home country. 12

6. (a) Distinguish between tariff and non-tariff barriers. Explain various non-tariff barriers to restrict the international trade.  $4+7=11$

Or

(b) What do you mean by 'protectionism' in international trade? Give arguments in support of the policy of protectionism.  $3+8=11$

7. (a) Explain the objectives and functions of World Bank. 11

Or

(b) Define international business. Give an outline of factors driving globalization of business.  $4+7=11$

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