

Shri Guru Nanak Degree College

Preet Vihar, Rudrapur

Class:B.B.A. Semester VI

Subject– International Business

Long Answer Questions

1. Define International Business. Explain its nature and importance.
2. Discuss the factors responsible for the growth of international business.
3. What are multinational companies? Explain their features and impact.
4. Explain the role of WTO in international trade.
5. Discuss the structure and functions of IMF.
6. Explain the contribution of the World Bank in international business.
7. Describe the roles of IFC, IDA, and ADB.
8. Explain classical theories of international trade with examples.
9. Differentiate between Absolute and Comparative Advantage Theories.
10. Write a note on Mercantilism.
11. Discuss the Modern Theories of International Trade.
12. What is Resource and Trade Theory? Explain with examples.
13. Explain Competitive Advantage Theory.
14. Describe the standard model of trade.
15. Explain specific factor and income distribution theory.
16. Describe the procedure of export and import trade.
17. What are the various export promotion measures adopted by the government?
18. Explain the steps and documents involved in the export procedure.
19. Discuss the role of regional trading blocs: SAARC, APEC, and NAFTA.
20. What is the Foreign Exchange Market? Discuss its functions.
21. Explain the methods of financing foreign trade.
22. Discuss Letter of Credit with types and importance.
23. What is Forfeiting? How does it differ from Factoring?
24. Write a detailed note on FEMA.
25. Compare and contrast FERA and FEMA.
26. Explain Balance of Payment and its components.

27. Describe the causes and effects of disequilibrium in BOP.
28. How can disequilibrium in BOP be corrected?
29. Discuss the difference between Current Account and Capital Account.
30. What is Official Reserve Account? Discuss its importance.
31. Write a note on Trade Protection vs Free Trade.
32. What are EPZ, SEZ, and Quota? Explain in detail.
33. Explain the concept of Tariff and its types.
34. Discuss the impact of government policy on international trade.
35. How does globalization affect Indian foreign trade?
36. Discuss India's foreign trade policy in detail.
37. Explain India's trade relationship with major economies.
38. Compare international business with domestic business.
39. Discuss the challenges faced by international businesses in India.
40. What is the role of international institutions in trade development?
41. Explain the influence of exchange rate fluctuations on trade.
42. Describe the role of technology in international business.
43. Explain the ethical issues in international business.
44. What are trade barriers? How do they affect global trade?
45. Write a note on trade liberalization and its impact.
46. Explain international marketing strategies.
47. Describe the significance of cultural understanding in global trade.
48. What is the impact of regional integration on international trade?
49. Write a note on balance of payments crisis in India.
50. Discuss the effects of tariffs and quotas with examples.

Short Answer Questions

1. Define international business.
2. Mention any two features of MNCs.
3. What is WTO?
4. State any two functions of IMF.
5. What is IDA?

6. Define Classical Trade Theory.
7. What is Comparative Advantage?
8. Define Mercantilism.
9. Mention one difference between classical and modern trade theories.
10. What is Resource Theory?
11. Define Specific Factor Theory.
12. What is Income Distribution in trade?
13. Define Competitive Advantage.
14. Write two objectives of export promotion.
15. What is an Export Document?
16. Name any two regional trade blocs.
17. What is APEC?
18. Define NAFTA.
19. What is the foreign exchange market?
20. Write two functions of foreign exchange market.
21. Define Letter of Credit.
22. What is Factoring?
23. What is Forfeiting?
24. Write one difference between FERA and FEMA.
25. What is FEMA?
26. Define Balance of Payment.
27. What is the Capital Account?
28. What is Disequilibrium in BOP?
29. State two causes of disequilibrium in BOP.
30. How can BOP disequilibrium be corrected?
31. Define Free Trade.
32. What is Trade Protection?
33. Define EPZ.
34. What is SEZ?
35. What is a Trade Quota?
36. Define Tariff.

37. What is the current account?
38. Mention any two objectives of international business.
39. Define globalization.
40. What is trade liberalization?
41. What is a tariff barrier?
42. Define exchange rate.
43. Mention one ethical issue in international trade.
44. What is international marketing?
45. What is regional integration?
46. Write a full form of SAARC.
47. What is World Bank?
48. What is ADB?
49. Write any two methods of financing trade.
50. State any two challenges of international trade.

Objective Type Questions

1. **WTO was established in the year**
 - a) 1991
 - b) 1995
 - c) 2000
 - d) 1985
2. **The headquarters of the IMF is located in**
 - a) Geneva
 - b) Washington, D.C.
 - c) New York
 - d) London
3. **Which institution is known as the “Lender of Last Resort”?**
 - a) IMF
 - b) WTO
 - c) World Bank
 - d) ADB

4. **Who gave the theory of Comparative Advantage?**
- a) Adam Smith
 - b) David Ricardo
 - c) Samuelson
 - d) Keynes
5. **Mercantilism encourages**
- a) Free trade
 - b) Export promotion and import restriction
 - c) Import promotion
 - d) Technology transfer
6. **The term “MNC” stands for**
- a) Multi-National Corporation
 - b) Multi-National Company
 - c) Both a and b
 - d) None of the above
7. **Which of the following is a regional trade bloc?**
- a) IMF
 - b) WTO
 - c) SAARC
 - d) IDA
8. **The main objective of WTO is to**
- a) Promote war
 - b) Regulate trade
 - c) Restrict globalization
 - d) Promote military alliances
9. **Which is not an international economic institution?**
- a) WTO
 - b) IMF
 - c) RBI
 - d) World Bank

10. **FEMA replaced which of the following acts?**

- a) SEBI Act
- b) FERA
- c) Companies Act
- d) Banking Regulation Act

11. **A Letter of Credit is issued by a**

- a) Exporter
- b) Government
- c) Bank
- d) Importer

12. **Forfeiting is used in**

- a) Domestic trade
- b) Import financing
- c) Export financing
- d) Retail financing

13. **NAFTA is a trade bloc between**

- a) US, India, and China
- b) US, Mexico, and Canada
- c) US, UK, and Canada
- d) Canada, India, and China

14. **SEZ stands for**

- a) Special Economic Zone
- b) South East Zone
- c) Super Export Zone
- d) Special Export Zone

15. **The Balance of Payment includes**

- a) Current account
- b) Capital account
- c) Official reserves
- d) All of the above



16. Export promotion councils in India are managed by

- a) RBI
- b) Ministry of External Affairs
- c) Ministry of Commerce
- d) SEBI

17. Which of the following is not a function of the IMF?

- a) Promoting exchange stability
- b) Providing development assistance
- c) Resolving trade disputes
- d) Lending to member countries

18. Comparative advantage relates to

- a) Cost efficiency
- b) Technological innovation
- c) High profits
- d) Domestic trade

19. Trade policy deals with

- a) Internal marketing
- b) Import and export regulations
- c) Personal taxation
- d) Stock exchange operations

20. The full form of ADB is

- a) Asian Development Bureau
- b) Asia Development Bank
- c) Asian Development Bank
- d) Association of Developing Banks

21. What does IDA stand for?

- a) International Development Authority
- b) Indian Development Agency
- c) International Development Association
- d) International Debt Association

22. Tariffs are imposed on

- a) Imports
- b) Exports
- c) Both a and b
- d) None

23. The term “BOP” stands for

- a) Balance of Policies
- b) Balance of Payments
- c) Bank of Projects
- d) Board of Partners

24. World Bank provides loans for

- a) Military activities
- b) Development projects
- c) Political reforms
- d) Tourism promotion

25. Which of the following is an example of a trade barrier?

- a) Tariff
- b) Quota
- c) License
- d) All of the above

26. The main aim of trade liberalization is to

- a) Restrict trade
- b) Promote trade
- c) Encourage monopoly
- d) Increase taxes

27. Free Trade means

- a) No tariffs and no quotas
- b) High taxes
- c) Limited trade
- d) Trade with only selected countries

28. EPZs are mainly set up for

- a) Domestic production
- b) Export production
- c) Import substitution
- d) Agricultural development

29. Which of the following helps in correcting BOP deficit?

- a) Devaluation
- b) Import substitution
- c) Export promotion
- d) All of these

30. Which of the following is not a modern trade theory?

- a) Heckscher-Ohlin Theory
- b) Comparative Advantage Theory
- c) Product Life Cycle Theory
- d) Competitive Advantage

31. WTO replaced which organization?

- a) IMF
- b) GATT
- c) World Bank
- d) IDA

32. Balance of Payment is a record of

- a) Domestic transactions
- b) International economic transactions
- c) Financial statements
- d) None

33. Which of the following is a multilateral financial institution?

- a) HDFC
- b) World Bank
- c) ICICI
- d) SEBI

34. **Export and Import procedures are governed by**

- a) RBI
- b) DGFT
- c) Ministry of Tourism
- d) Ministry of Education

35. **Which is a capital account transaction?**

- a) Foreign loans
- b) Export of goods
- c) Import of goods
- d) Remittances

36. **The theory of Absolute Advantage was given by**

- a) David Ricardo
- b) Adam Smith
- c) Paul Krugman
- d) John Maynard Keynes

37. **Which of these is not a component of foreign trade policy?**

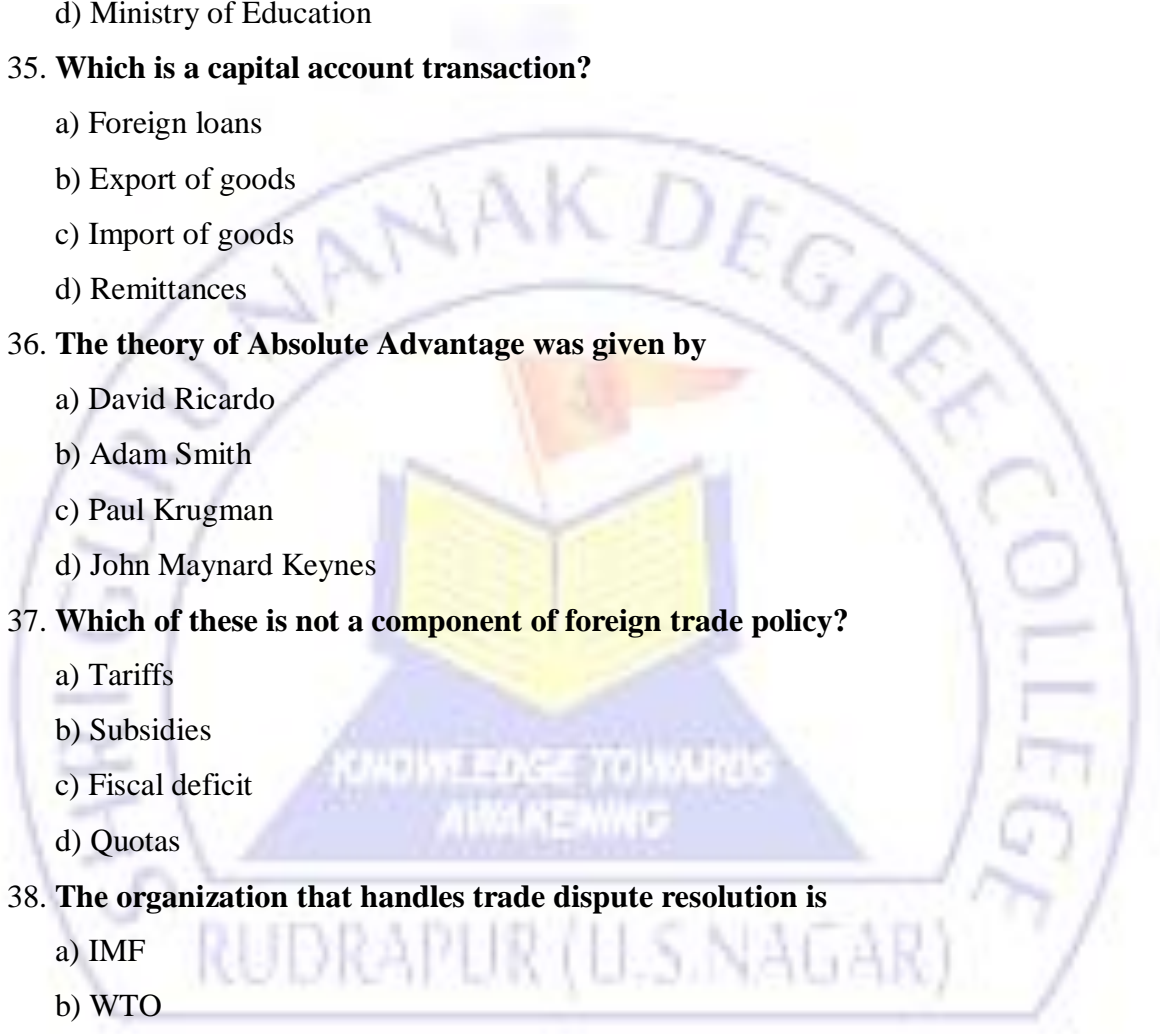
- a) Tariffs
- b) Subsidies
- c) Fiscal deficit
- d) Quotas

38. **The organization that handles trade dispute resolution is**

- a) IMF
- b) WTO
- c) ADB
- d) IDA

39. **Free Trade vs Protection is related to**

- a) Monetary policy
- b) Trade policy
- c) Fiscal policy
- d) Banking



40. **The Indian rupee is managed by**

- a) World Bank
- b) IMF
- c) RBI
- d) SEBI

41. **India is a member of which regional bloc?**

- a) NAFTA
- b) APEC
- c) SAARC
- d) EU

42. **Which document is essential for customs clearance?**

- a) Bill of Lading
- b) Invoice
- c) Insurance
- d) All

43. **Which is a financial document in foreign trade?**

- a) Certificate of Origin
- b) Letter of Credit
- c) Export License
- d) Inspection Certificate

44. **The Export-Import Bank of India provides**

- a) Savings accounts
- b) Loans for exporters
- c) Insurance
- d) Tax refunds

45. **WTO's most-favoured-nation (MFN) principle means**

- a) One nation is favoured
- b) Equal trade benefits to all
- c) Imports are banned
- d) Military alliance

46. **ADB's headquarters is in**

- a) Manila
- b) Tokyo
- c) Geneva
- d) New Delhi

47. **India's trade policy is framed by**

- a) Ministry of Finance
- b) RBI
- c) Ministry of Commerce
- d) NITI Aayog

48. **A Quota in trade refers to**

- a) Tax
- b) Limit on quantity
- c) Limit on price
- d) Subsidy

49. **An import license is required for**

- a) Domestic sale
- b) Export
- c) Foreign purchase
- d) Investment

50. **Trade blocs aim to**

- a) Increase trade barriers
- b) Reduce trade barriers among members
- c) Stop trade
- d) Nationalize companies

