



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDMM/PGDSCM&L – Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For **Jan-June 2020 semester.**

Semester 2
PAPER –12
INTERNATIONAL TRADE

Instructions:

1. Answer all 50 questions (compulsory). Each question carries 2 marks **Total : 100 Marks**
 2. Read instructions given on the OMR answer sheet and answer the questions.
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1. The transactions in International Trade include:

- a) all commercial transactions between two or more countries.
- b) private, but not governmental, commercial transactions between two or more countries.
- c) governmental, but not private, commercial transactions between two or more countries.
- d) only commercial transactions between two or more countries that are entered for the purpose of making a profit.

2. Which is the right sequence of stages of Internationalization

- a) Domestic, Transnational, Global, International, Multinational
- b) Domestic, International, Multinational, Global, Transnational
- c) Domestic, Multinational, International, Transnational, Global
- d) Domestic, International, Transnational, Multinational, Global

3. _____ is the application of knowledge which redefines the boundaries of global business:

- a) Cultural Values
- b) Society
- c) Technology
- d) Economy

4. Which is not an Indian Multinational Company?

- a) Unilever
- b) Asian Paints
- c) Piramal
- d) Wipro

5. Globalization refers to:

- a) Lower incomes worldwide
- b) Less foreign trade and investment
- c) Global warming and their effects
- d) A more integrated and interdependent world

6. The company which produces, markets, invests and operates across the world is called:

- a) Global
- b) International
- c) Transnational
- d) Multinational

7. _____ is the first step in the internationalization process:
- License
 - Foreign Investment
 - Sales
 - Export
8. The Theory of Absolute Cost Advantage is given by
- David Ricardo
 - Adam Smith
 - F W Taylor
 - Ohlin and Heckscher
9. Which of the following is not a force in the Porter Five Forces model?
- Buyers
 - Suppliers
 - Complementary products
 - Industry rivalry
10. Capitalistic, communistic and Mixed are the types of
- Economic System
 - Social System
 - Cultural Attitudes
 - Political System
11. What would NOT be a reason for a company to engage in international business?
- To maximize competitive risk
 - To acquire resources
 - To expand sales
 - To diversify sources of sales and supplies.
12. Which of the following is FALSE regarding the reasons companies engage in international business?
- Increased sales are a major motive for a company's expansion into international business.
 - To minimize swings in sales and profits, companies may seek out foreign markets to take advantage of business cycle difference among countries.
 - Many companies enter into international business for defensive reasons.
 - Companies make foreign investments in order to eliminate their dependence on exporting.
13. Which of the following best describes the reason companies seek out foreign markets in order to take advantage of business cycle differences among countries?
- To cut cost and increase efficiency
 - To minimize swings in sales and profits
 - To maximize new product introductions
 - To take advantage of economies of scale
14. International business has recently grown at such a rapid pace because of:
- stricter government policies on cross-border movements.
 - development of institutions to support and facilitate trade.
 - decreasing global competition.
 - companies' increased concerns with terrorism

15. When the transaction is of high value, complex in nature and more technical _____ the method of export sales contract is used.
- Performa invoice
 - Purchase order
 - Sales contract
 - None of the above
16. Which one of the following is a method for an exporter to get a contract
- Pro-forma invoice
 - Purchase order
 - Sales contract
 - All the above
17. The marketing mix (the 4 Ps of marketing) does not include
- product
 - place
 - practicality
 - promotion
18. WTO stands for
- World technology association
 - World time organization
 - World trade organization
 - World tourism organization
19. _____ is only a legal agreement and it is not an institution, but _____ is a permanent institution.
- GATT, WTO
 - WTO, GATT
 - WTO, IMF
 - IMF, GATT
20. The main promoter of trade liberalization was
- GATT
 - NAFTA
 - CEPTA
 - CISA
21. Which among the following modes of international marketing is the most suitable for small organisations?
- Exporting
 - Licensing
 - Franchising
 - Acquisitions
22. The high tax and duty levied on import of goods are a :
- Tariff barrier
 - Non-tariff barrier
 - Labour restriction
 - None of these

23. Arbitrageur in the foreign exchange market:
- buys when the currency is low and sell when it is high
 - buys and sells simultaneously the currency with a view to making riskless profit
 - sells the currency when he has a receivable in future
 - buys or sells to make advantage of market imperfections
24. In direct quotation, the unit kept constant is:
- the local currency
 - the foreign currency
 - the subsidiary currency
 - none of the above
25. The selling rate is also known as:
- bid rate
 - offer rate
 - spread
 - cross rate
26. UNICITRAL was established on?
- 17 August, 1966
 - 17 September, 1966
 - 17 November, 1966
 - 17 December, 1966
27. Member of UNICITRAL are also member of?
- UN
 - EU
 - WU
 - African states
28. Foreign exchange and Foreign currency in India are governed by?
- SCRA Act
 - Banking Regulation Act
 - SEBI Act
 - FEMA Act
29. DEFC stands for?
- Direct foreign exchange control
 - Direct finance exchange control
 - Duty free export credit
 - Duty free exchange credit
30. A letter of credit means
- A bank agreeing to accept and pay on due date
 - A letter containing conditions of credit purchase and sales
 - A letter sent by exporter to importer sanctioning credit deal
 - A letter sent by importer to exporter for enquiry
31. A pricing method in which price of the product is finalised on the basis of demand, known as?
- Cost plus pricing
 - Demand based pricing
 - Completion bases pricing
 - Value pricing

32. Dunkel proposal was discussed in
- a) IMF
 - b) WTO
 - c) World Bank
 - d) ADB
33. International Development Association is administered by the?
- a) World Bank
 - b) IMF
 - c) WTO
 - d) IFC
34. Which convention covers the International contracts of Sale of goods transactions?
- a) Geneva convention
 - b) Uruguay convention
 - c) Tokyo convention
 - d) Vienna convention
35. Which type of Insurance protects Insurer if their supplied product causes an injury to the buyer?
- a) Product liability insurance
 - b) Trade credit insurance
 - c) Professional indemnity insurance
 - d) General insurance
36. Which agreement of the WTO protects Intellectual Property Rights?
- a) GATT
 - b) WIPO
 - c) TRIMS
 - d) TRIPS
37. Which International organisation works to remove food insecurity?
- a) UNICEF
 - b) WHO
 - c) UNESCO
 - d) WAO
38. Which of the following is not a part of the World Bank Group?
- a) IBRD
 - b) IFC
 - c) IDA
 - d) ADB
39. A Letter of Credit is also known as?
- a) Documentary letter
 - b) Bill of lading
 - c) Shipping document
 - d) Bill of Exchange

40. Permission of the dock office to bring the goods on the dock is known as?
- a) Export permit
 - b) Dock permit
 - c) Permit warrant
 - d) Dock warrant
41. A legal document provided by the carrier to a shipper is called?
- a) Bill of lading
 - b) Shipping document
 - c) Export permit
 - d) Custom permit
42. Under the current scenario, the US has imposed many taxes on import of some goods. What is the most likely reason for this?
- a) Protection of jobs and domestic industry
 - b) National security
 - c) Consumer protection
 - d) Retaliatory foreign policy
43. The spot rate of exchange is quoted for the immediate delivery of?
- a) Foreign treasury
 - b) Foreign exchange
 - c) Foreign rate
 - d) Foreign transaction
44. International institutions such as World Bank and IMF are criticised by a Activist for being?
- a) Anti- globalised
 - b) Bureaucratic
 - c) Corrupt
 - d) Undemocratic
45. Trading Blocs are also called?
- a) Regional trading blocs
 - b) Foreign direct investment
 - c) Protectionism
 - d) Free trade
46. The headquarter if India Trade Promotion organisation is in
- a) New Delhi
 - b) Bangalore
 - c) Chennai
 - d) Kolkata
47. TT in the context of Foreign Exchange Rates?
- a) Transaction transfer
 - b) Telegraphic transfer
 - c) Telephonic transfer
 - d) Treasury and token

48. Which one of these cannot help developing countries to diversify their export baskets?

- a) Research and development
- b) Government participation
- c) Demand for varied goods
- d) Encouraging trade barriers

49. A method of storing and sharing information through a network in an open virtual space?

- a) Credit transfer
- b) Debit transfer
- c) Blockchain technology
- d) Electronic data interchange

50. A virtual market place created by an organisation to offer products and services to other organisations or individuals using the internet are called?

- a) Internet market
- b) E-Market
- c) Networking
- d) Value added network
