

Final Test Semester 2 Paper 12 INDIAN INSTITUTE OF MATERIALS MANAGEMENT International Trade [PGDMM , PGDSCM & L (2 years)]

Instructions:

1. Answer all 50 questions. Each question carries 2 marks Total : 100 Marks
2. Duration 1 Hour.

*Required

1. Email *

2. Name *

3. Roll Number *

4. International trade provides its contribution majorly towards the development of nations by ascending their income, which ultimately enhances their _____.

2 points

Mark only one oval.

- Population
- Area
- Gross Domestic Product (GDP)
- Human Development Index (HDI)

5. Taxes imposed and collected by the federal governments on imports which increase the prices of goods charged from the customers is known as _____.

2 points

Mark only one oval.

- Quotas
 Tariffs
 Sanctions
 Embargoes

6. Generally control on foreign exchange of a country lies with its _____.

2 points

Mark only one oval.

- central government
 central bank
 President
 Finance Ministry

7. Foreign Trade Policy of India is announced by Ministry of Commerce and Industry, Government of India in every _____ years.

2 points

Mark only one oval.

- 6
 5
 3
 4

8. The ban on the import or export of one or more goods with a specific country is known as _____.

2 points

Mark only one oval.

- quota
 embargo
 subsidies
 sanction

9. Canada, _____ and the United States are part of North American Free Trade Agreement (NAFTA). 2 points

Mark only one oval.

- Mexico
 Brazil
 England
 Spain

10. Nowadays, countries and organisations all over the world have a strong aspiration to become highly _____ so that they can survive and grow in the international market and environment. 2 points

Mark only one oval.

- competitive
 centralise
 profitable
 protective

11. A market structure which refers to a situation when there is no competitor of the product in the market is known as _____. 2 points

Mark only one oval.

- oligopoly
 monopoly
 monopolistic competition
 perfect competition

12. The central issue in the international economy today is how to overcome simultaneously _____ and _____ and to restore the world economy and world trade to the path towards stable growth. 2 points

Mark only one oval.

- credit; investment
 recession; inflation
 labour; profit
 export; demand

13. _____ of world merchandise trade had taken place under WTO rules. 2 points

Mark only one oval.

- 65%
- 78%
- 88%
- 97%

14. The headquarters of IMF are situated in _____. 2 points

Mark only one oval.

- Geneva
- Washington, D.C.
- London
- Rome

15. In 1964, United Nations Conference on Trade and Development (UNCTAD) was established as the key organ of the United Nations _____. 2 points

Mark only one oval.

- Security Council
- Economic and Social Council
- General Assembly
- Trusteeship Council

16. As a result of _____, international trade grew substantially after the end of the Second World War. 2 points

Mark only one oval.

- globalisation
- socialisation
- industrialisation
- imperialisation

17. The financial exchange transaction in which the transaction between the parties is done at a rate of exchange fixed on the transaction date, but settlement takes place at a future date is known as _____.

Mark only one oval.

- Exchange rate swap
- Exchange rate forward
- Exchange rate arbitrage
- International settlement rate

18. The monetary authority of India, that is, _____ has introduced a wide range of financial instruments to be traded in the Indian exchange markets.

Mark only one oval.

- SEBI
- IRDA
- RBI
- NSE

19. The first standardised International Monetary System (IMS) was developed on the basis of the _____ standard.

Mark only one oval.

- US dollar
- classical gold
- Pound sterling
- SDR

20. Exchange rate of a currency depends upon _____ of the currency in the FOREX market.

Mark only one oval.

- value
- availability
- demand and supply
- acceptability

21. _____ is an instrument issued by the buyer's bank which promises to pay an agreed amount to the seller. 2 points

Mark only one oval.

- Letter of Credit
- Line of Credit
- Payment Collection
- Cheque

22. The TRIPS agreement provides patent protection for eligible inventions in products/processes in all fields of technology for at least _____ years. 2 points

Mark only one oval.

- 10
- 15
- 20
- 25

23. The TRIPS agreement calls for a mutually cooperative relationship between the WTO and the _____. 2 points

Mark only one oval.

- World Intellectual Property Organization (WIPO)
- World Bank
- IMF
- UNCTAD

24. The CISG covers international contracts of sale of _____ transactions. 2 points

Mark only one oval.

- services
- durables
- goods
- commodity

25. The _____ Treaty established the League of Nations after the first World War, which was an inter-governmental organisation to prevent wars in the future. 2 points

Mark only one oval.

- Paris
- London
- Milan
- Versailles

26. During the Second World War, US atomic bombing was done on the Japanese cities of Hiroshima and _____ to force Japan surrender to the Allies. 2 points

Mark only one oval.

- Kawasaki
- Nagasaki
- Kyoto
- Osaka

27. _____ of international relations proposes that the decision making is strongly affected by how the alternative courses of action are framed. 2 points

Mark only one oval.

- Systems approach
- Realistic approach
- Behavioural approach
- Marxism approach

28. A legal document issued by the carrier to a shipper (transportation company) is known as _____. 2 points

Mark only one oval.

- Letter of Credit
- Bill of Exchange
- Mate's Receipt
- Bill of Lading

29. _____ is a bundle of goods carried through on a motor vehicle, ship or aircraft to another territory. 2 points

Mark only one oval.

- Embargo
- Cargo
- Ship
- Mail

30. A _____ is a binding document that a buyer requests from the issuing bank to guarantee that the payment for goods will be transferred to the seller on the performance of the sales contract. 2 points

Mark only one oval.

- Mate's Receipt
- Bill of Exchange
- Letter of Credit
- Bill of Lading

31. A/An _____ is enforced by a country on imported goods to increase their cost and make them less competitive than the domestically manufactured goods. 2 points

Mark only one oval.

- income tax
- tariff tax
- poll tax
- service tax

32. _____ is a politically influenced counter-measure, which allows the government to encourage the production of domestic goods and services. 2 points

Mark only one oval.

- Internationalisation
- Protectionism
- Globalisation
- Liberalism

33. Trade _____ is the total by which the cost of imports from a country exceeds the revenues from its imports. 2 points

Mark only one oval.

- surplus
- volume
- embargo
- deficit

34. _____ was founded as a government agency that works under the Ministry of Commerce and Industry for trade promotion. 2 points

Mark only one oval.

- NSO
- ITPO
- FICCI
- NASSCOM

35. _____ are specially designed zones for aggressive economic activity for the promotion of exports. 2 points

Mark only one oval.

- Free Trade Zones (FTZs)
- Export Processing Zones (EPZs)
- Free Economic Zones (FEZs)
- Industrial Parks

36. The headquarters of India Trade Promotion Organisation (ITPO) are situated in _____ . 2 points

Mark only one oval.

- Mumbai
- New Delhi
- Noida
- Chennai

37. _____ countries depend on a handful of products, mostly agricultural commodities, that constitute a significant proportion of their gross export earnings. 2 points

Mark only one oval.

- Developed
- European
- Developing
- OECD

38. _____ is a third-party network provider appointed by an organisation to simplify the electronic data interchange (EDI). 2 points

Mark only one oval.

- E-commerce
- Value Added Network (VAN)
- E-market
- Cloud computing

39. A _____ is a virtual marketplace created by an organisation to offer products and services to other organisations or individuals using the Internet. 2 points

Mark only one oval.

- E-market
- Cloud computing
- Blockchain
- E-mail

40. Which of the following is/are the forces of globalisation? 2 points

Mark only one oval.

- Advancements in technology
- Environment
- Increase in competition
- All of these

41. Which of the following is not considered as the advantage of international trade? 2 points

Mark only one oval.

- Increased efficiency
- Goods of better quality
- Environment protection
- Exchange of technical knowledge

42. Which of the following is/are the examples of non-tariff barrier? 2 points

Mark only one oval.

- Quotas
- Embargoes
- Sanctions
- All of these

43. Which of these companies follows a polycentric orientation? 2 points

Mark only one oval.

- Transnational company
- Multinational company
- Global company
- All of these

44. Which of the following is not a factor for the countries to trade internationally? 2 points

Mark only one oval.

- To attain new businesses and resources
- To increase population
- To enhance the sales and market share
- Diversification of business

45. India's EXIM policy was first announced in which year? 2 points

Mark only one oval.

1992

1995

1997

2001

46. Foreign Trade Policy of India is prepared by the _____. 2 points

Mark only one oval.

Ministry of Finance

Ministry of Commerce and Industry

Reserve Bank of India

Ministry of Law and Justice

47. World Trade Organization was established in which year? 2 points

Mark only one oval.

1992

1993

1995

1998

48. Who is the main proponent of the classical theories of international trade? 2 points

Mark only one oval.

Adam Smith and David Ricardo

Karl Marx

John Maynard Keynes

Thomas Robert Malthus

49. Which of the following is/are the limitations of the modern theory of International trade? 2 points

Mark only one oval.

- Fails to elucidate the multilateral trade
- Neglects the differences in currencies
- Ignores terms of trade between developed and developing countries
- All of these

50. What percentage of the total value of goods produced around the world is exported? 2 points

Mark only one oval.

- 15
- 25
- 40
- 50

51. Which of the following is not a macro international trade environment force? 2 points

Mark only one oval.

- Demographic
- Political-Legal
- Media
- Socio-cultural

52. Emerging markets, such as India and China aid in the growth of international trade because of _____.

Mark only one oval.

- size of market and availability of cheap labour
- climate conditions
- socio-cultural environment
- political culture

53. Factors which may lead to global economic change include

2 points

_____.

Mark only one oval.

- globalisation
- interdependence
- industrialisation
- All of these

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