

**Exam Name** : GDMM Paper 7 International Trade

**Total Questions** : 50

**Q.1** The principle of comparative advantage theory of international trade is attributed to

**Marks: 2**

**Question ID:**  
5227049

No	Options Details	Select Option
1	Adam smith	
2	Bertil Ohlin	
3	David Ricardo	
4	John Smith	

**Q.2** The order in which the stages appear in the international product life cycle theory is

**Marks: 2**

**Question ID:**  
5227050

No	Options Details	Select Option
1	New product, standardized product, stabilized product	
2	New product, stabilized product, matured product	
3	New product, maturing product, declining product	
4	New product, maturing product, stabilized product	

**Q.3** Foreign Direct Investment (FDI) is

**Marks: 2**

**Question ID:**

5227051

No	Options Details	Select Option
1	The money spent by a foreign company in India	
2	The money spent by an Indian company in a foreign country	
3	The money invested by an Indian company in a foreign country	
4	The money spent by an Indian company on exports	

**Q.4** Foreign trade (development and regulation) Act 1992 replaced

**Marks: 2**

**Question ID:**

5227052

No	Options Details	Select Option
1	The foreign exchange regulation act 1973	
2	The foreign trade act 1974	
3	Imports and exports control act 1974	
4	The international trade act of India 1972	

**Q.5** The balance of payments measures the

**Marks: 2**

**Question ID:**

5227053

No	Options Details	Select Option
1	Foreign exchange earnings of the country	
2	Foreign exchange outflow of the country	
3	Payments that flow between an individual country and all other countries	
4	Payments made by one country to another	

**Q.6** The payment that is least secure for the buyer is

**Marks: 2**

**Question ID:**

5227054

No	Options Details	Select Option
1	The bill of exchange	
2	The letter of credit	
3	The open advance	
4	Advance cash payment	

**Q.7** The risks in international trade are

**Marks: 2**

**Question ID:**

5227055

No	Options Details	Select Option
1	Country risk, credit risk, carriage risk and currency risk	
2	Country risk, trade partner risk, banking risk, political risk	
3	Country risk, political risk	
4	Banking risk, political risk, transport risk	

**Q.8** UCP - Uniform customs and practices for commercial documentary credits covers

**Marks: 2**

**Question ID:**

5227056

No	Options Details	Select Option
1	Borrowing in a foreign bank	
2	Lending to a foreign institution	
3	Investments made through FDI	
4	Payments made and received through banks in international trade	

**Q.9** Balance of payments has three sets of accounts and they are

**Marks: 2**

**Question ID:**

5227057

No	Options Details	Select Option
1	The capital account, the revenue account, the reserve account	
2	The capital account, the services account, the goods account	
3	The goods and services account, the reserve account	
4	The capital account, the asset account, the services account	

**Q.10** Which of the following is NOT an incoterm?

**Marks: 2**

**Question ID:**

5227058

No	Options Details	Select Option
1	COD	
2	DDP	
3	FCA	
4	CIF	

**Q.11** Tariffs is a form of tax levied on

**Marks: 2**

**Question ID:**

5227059

No	Options Details	Select Option
1	Exports	
2	Goods produced in India	
3	Both imports and exports	
4	Imports	

**Q.12** Quota is a form of restriction put in by the government on

**Marks: 2**

**Question ID:**

5227060

No	Options Details	Select Option
1	Importation of goods	
2	Export of services	
3	Both importation of goods and export of services	
4	Neither importation of goods nor export of services	

**Q.13** Customs is an agency of a country responsible for

**Marks: 2**

**Question ID:**

5227061

No	Options Details	Select Option
1	Collection and safe guarding customs duties	
2	Controlling the flow of goods in and out of the country	
3	Both options (a) and (b)	
4	Nether (a) nor (b)	

**Q.14** The objective of the Bretton Woods monetary system is to

**Marks: 2**

**Question ID:**

5227062

No	Options Details	Select Option
1	To establish uniform convertibility for all currencies	
2	To formulate a system of conversion of currencies	
3	To fix a proper exchange rate for each currency	
4	Establish an international monetary system with stable exchange rates	

**Q.15** Single currency peg is a method

**Marks: 2**

**Question ID:**

5227063

No	Options Details	Select Option
1	The currency of the country is pegged to another major currency	
2	The currency of the country is pegged to the US dollar and the pound sterling	
3	The currency of the country is pegged to the IMF exchange rate	
4	The currency of the country is pegged to the Euro	

**Q.16** Exchange rate mechanism that is normally opted by the countries is

**Marks: 2**

**Question ID:**

5227064

No	Options Details	Select Option
1	Exchange rate fixed to the Dollar	
2	Exchange rate fixed to the Euro	
3	Exchange rate fixed to the Pound Sterling	
4	Free Float Regime	



**Q.17** Factors affecting exchange rate are

**Marks: 2**

**Question ID:**

5227065

No	Options Details	Select Option
1	Exchange control, purchasing power parity, balance of payments	
2	Exchange control, balance of payments, central bank policy	
3	Exchange control, purchasing power parity, central bank policy	
4	Exchange control	

**Q.18** The foreign exchange regulation act 1973 was replaced by

**Marks: 2**

**Question ID:**

5227066

No	Options Details	Select Option
1	The foreign exchange control act 1999	
2	The exchange control act of India 1999	
3	The foreign exchange management act 1999	
4	The foreign exchange and services act 1999	

**Q.19** SDR (Special Drawing Rights) is a

**Marks: 2**

**Question ID:**

5227067

No	Options Details	Select Option
1	Provision under which member countries take loans	
2	Provision under which member countries can hold foreign currency account	
3	Provision under which IMF issues convertible currencies to member countries	
4	Provision under which world bank makes investments	

**Q.20** NAFTA is

**Marks: 2**

**Question ID:**

5227068

No	Options Details	Select Option
1	An economic block	
2	A trade block	
3	A political organization	
4	A non-government organization	

**Q.21** G - 7 is an

**Marks: 2**

**Question ID:**

5227069

No	Options Details	Select Option
1	An economic block	
2	A trade block	
3	A political organization	
4	A part of the US government	

**Q.22** Exim policy of India is issued

**Marks: 2**

**Question ID:**

5227070

No	Options Details	Select Option
1	Every year	
2	Once in two years	
3	One every five years	
4	Once every 7 years	

**Q.23** Positive balance of trade signifies

**Marks: 2**

**Question ID:**

5227071

No	Options Details	Select Option
1	Export is more than the imports	
2	The loans are less than the cash balance	
3	Significant amount of foreign loans	
4	Domestic loans are more than the foreign loans	

**Q.24** Cash against export documentation when offered through the bank

**Marks: 2**

**Question ID:**

5227072

No	Options Details	Select Option
1	Reduces the payment risk for the buyer	
2	Increases the expense for the seller	
3	Reduces the risk for the seller	
4	Reduces the risk for the buyer and the seller	

**Q.25** Regulatory documents are those documents that are required

**Marks: 2**

**Question ID:**

5227073

No	Options Details	Select Option
1	By the importer to be produced in the country of imports	
2	By the exporter to comply with the export regulation of the country	
3	By the importer to comply with the import regulation of the country	
4	To indicate the proof of export to the buyer	

**Q.26** Export promotion councils

**Marks: 2**

**Question ID:**

5227074

No	Options Details	Select Option
1	Appraise the government about the problems faced by the exporters	
2	Is an agency that exports goods through its channel	
3	Is a government department that oversees the export operations	
4	Is part of the customs to take care of the exports	

**Q.27** ECGC is a corporation that helps

**Marks: 2**

**Question ID:**

5227075

No	Options Details	Select Option
1	The exporters in getting export orders	
2	The exporters in organizing the export documentation	
3	The exporters in organizing insurance against payment risks	
4	The exporters in finding customers for their products	

**Q.28** The exchange of documents on a standardized electronic format between business partners is

**Marks: 2**

**Question ID:**

5227076

No	Options Details	Select Option
1	E-commerce	
2	Internet transaction	
3	Electronic data interchange	
4	B2B portal	

**Q.29** Electronic hardware technology parks

**Marks: 2**

**Question ID:**

5227077

No	Options Details	Select Option
1	Is an electronic industry	
2	Is an export promotion scheme	
3	Has a concentration of electronic industries	
4	Are parks where hardware sales take place	

**Q.30** Special Economic Zones are

**Marks: 2**

**Question ID:**

5227078

No	Options Details	Select Option
1	Setup to create buffer zones of economy	
2	Setup to promote services	
3	Economic zones to handle finances of organizations	
4	Designated geographical areas that promote the setting up of industries	

**Q.31** Export promotion capital goods scheme helps an exporter to

**Marks: 2**

**Question ID:**

5227079

No	Options Details	Select Option
1	Export capital goods manufactured by him	
2	Import capital goods	
3	Import capital goods along with spares at concessional customs duty	
4	Import spares for the after sales service	

**Q.32** An import transaction is subject to the following laws and regulations in force

**Marks: 2**

**Question ID:**

5227080

No	Options Details	Select Option
1	The local rules set up by the port authorities	
2	The rules set up by the shipping services	
3	The rules set up by the banks for remittance of taxes and duties	
4	Export - import policy in force	



**Q.33** INCOTERMS - International Commercial terms are

**Marks: 2**

**Question ID:**

5227081

No	Options Details	Select Option
1	Set up by the United Nations	
2	Helps the seller to reduce his responsibilities	
3	Used to identify the seller and buyer	
4	Used to predefine the sharing of risks and responsibilities between buyer and seller	

**Q.34** A bill of lading document

**Marks: 2**

**Question ID:**

5227082

No	Options Details	Select Option
1	Is an undertaking that goods will be delivered in the same condition as received	
2	Is a negotiable document	
3	Is an acknowledgement by the shipping company for the receipt of goods	
4	All of the above	

**Q.35** Combined transport document is the document that covers the movement of goods

**Marks: 2**

**Question ID:**

5227083

No	Options Details	Select Option
1	From inland container depots to any destination	
2	Is a document that combines the movement of more than one consignment	
3	Is a document that handles both air and sea freight together	
4	No such document is normally made	

**Q.36** DDP - incoterms is most suitable for the

**Marks: 2**

**Question ID:**

5227084

No	Options Details	Select Option
1	Seller	
2	Equally advantageous for seller and buyer	
3	Buyer	
4	Disadvantageous to buyer and seller	

**Q.37** Trade deficit refers to the situation were

**Marks: 2**

**Question ID:**

5227085

No	Options Details	Select Option
1	The exports are more than the imports	
2	The exports of some of the goods are more than the imports	
3	The imports are more than the exports	
4	No imports are made	

**Q.38** The organization that helps an exporter to identify export markets is

**Marks: 2**

**Question ID:**

5227086

No	Options Details	Select Option
1	Marketing agencies	
2	Importing agencies from the foreign country	
3	The export promotion council related to the industry	
4	The agents of the seller	

**Q.39** The organization that provides overseas investment insurance is

**Marks: 2**

**Question ID:**

5227087

No	Options Details	Select Option
1	The ECGC	
2	The EPC	
3	The world bank	
4	UNCTAD	

**Q.40** The international chamber of Commerce is the organization that releases

**Marks: 2**

**Question ID:**

5227088

No	Options Details	Select Option
1	The trade rules to be followed in international trade	
2	The transaction rules that are to be followed in international finance	
3	The international commercial terms	
4	The international rules of banking	

**Q.41** Global marketing advantages are

**Marks: 2**

**Question ID:**

5227089

No	Options Details	Select Option
1	Reduction in marketing costs	
2	Increase in production volumes to cater to increased demand	
3	Both (A) and (B)	
4	Neither (A) nor (B)	

**Q.42** Licensing of production is one of the methods used to

**Marks: 2**

**Question ID:**

5227090

No	Options Details	Select Option
1	Allow import of goods	
2	Allow export of goods	
3	Allow a company to setup a facility abroad and use its brand	
4	Allow a company to import goods from the parent company	

**Q.43** One of the reasons forwarded by the government for intervention in foreign trade is

**Marks: 2**

**Question ID:**

5227091

No	Options Details	Select Option
1	Government needs revenue from imports	
2	The domestic industry is in infant stage	
3	The domestic industry will not allow imports	
4	The subsidies given by the foreign governments	

**Q.44** The uniform rules for collection is governed by

**Marks: 2**

**Question ID:**

5227092

No	Options Details	Select Option
1	UCP 522	
2	UCP 544	
3	UCP 600	
4	UCP 622	

**Q.45** The uniform rules for documentary credit is governed by

**Marks: 2**

**Question ID:**  
5227093

No	Options Details	Select Option
1	UCP 522	
2	UCP 544	
3	UCP 600	
4	UCP 622	

**Q.46** The capital account in balance of payments consists of

**Marks: 2**

**Question ID:**  
5227094

No	Options Details	Select Option
1	The cost of services rendered	
2	The cost of consultations rendered	
3	The cost of salaries paid to migrant workers	
4	Goods and financial assets leaving or entering the country	

**Q.47** Governments adopt different methods to intervene in foreign trade. They are

**Marks: 2**

**Question ID:**

5227095

No	Options Details	Select Option
1	Make a ban on imports	
2	Increase the local competition	
3	Reduce money circulation	
4	Voluntary export restrictions	

**Q.48** International monetary fund

**Marks: 2**

**Question ID:**

5227096

No	Options Details	Select Option
1	A fund that is used by the world bank	
2	A fund that is used by the member countries of United Nations	
3	Promotes international monetary cooperation and foreign trade	
4	Reduces the burden of international trade	



**Q.49** The purpose of the world bank group is

**Marks: 2**

**Question ID:**

5227097

No	Options Details	Select Option
1	To help industries to export	
2	To help the US in its trade initiative	
3	To support the European union in its exports	
4	To promote private investment when private capital is not available	

**Q.50** The unclean bill of lading is a document that indicates

**Marks: 2**

**Question ID:**

5227098

No	Options Details	Select Option
1	That the goods have been received with damages	
2	The materials received are contaminated	
3	The materials are hazardous in nature	
4	No such thing as unclean bill of lading	