

**MASTER OF BUSINESS ADMINISTRATION
(MBAEV)**

Term-End Examination

00235

December, 2014

MCNE-063 : INTERNATIONAL ECONOMICS

Time : 3 hours

Maximum Marks : 100

Note : Answer any **five** questions. All questions carry equal marks.

1. Explain the international trade theory. Why are they known as the micro-economic aspects of international economics ? 20

2. What are the technical, administrative and other non-tariff barriers to trade ? How do they restrict trade ? 20

3. What are various factors, which influence the movement in exchange rates ? Is inflation an important factor ? If so, how ? Explain by giving examples. 20

4. Distinguish between Absolute and Comparative advantages. Explain why the existence of an absolute advantage is not a necessary condition for mutually beneficial trade. 20
5. What is meant by voluntary export restraints ? How has the United States used them ? 20
6. How does the exchange rate of a nation's currency influence the balance of payment of an economy ? Explain in terms of rupee convertibility on both the capital and current account. 20
7. What is the primary function of tariffs in industrial and developing nations ? 20
8. Write short notes on the following : 10+10=20
- (a) Regional Trade Blocks
 - (b) International banking impact on economy
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