

Name:
Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: Economics-II
Program: BA PPA
Course code: ECON 1010
Instructions:

Semester: II
Time: 03 Hours
Max. Marks: 100

SECTION A

		Marks	CO
Q 1	Two examples of the quantitative restrictions on trade are (a) _____ and (b) _____	2	CO 1
Q 2	Trade deficit would increase if (a) _____ increases and (b) _____ decreases.	2	CO 1
Q 3	Increase in world income tends to _____ India's net exports.	2	CO 1
Q 4	If the inflation at home exceeds that in abroad, ceteris paribus, then the domestic currency will _____ in real terms.	2	CO 1
Q 5	A country experiences capital flight if the (a) Domestic interest rate _____ the foreign interest rate and (b) Domestic currency is expected to _____	2	CO 1
Q 6	The PPP theory does not accurately explain the real exchange rate because (a) _____ are not tradable, and (b) All tradable goods are not _____	2	CO 1
Q 7	The Indian rupee tends to depreciate in the real terms when India's (a) Imports of goods and services _____ and (b) Exports of capital _____	2	CO 1
Q 8	In an open economy, net export equals net capital inflows. True/False	2	CO 1
Q 9	The actual exchange rate between the Indian rupee and the US dollar has always differed significantly from its PPP rate. True/False	2	CO 1
Q 10	In the nominal term, the Indian rupee has depreciated against the US dollar significantly over the last decade primarily because the inflation rate in India has been larger than that in USA. True/False	2	CO 1

SECTION B

Q 11	What are the important functions of WTO?	5	CO 2
Q 12	What is Big Mac Index?	5	CO 3
Q 13	What do you mean by Trade Barriers?	5	CO 2
Q 13	Name the four major trade partners of India	5	CO 3
SECTION-C			
Answer any two questions			
Q 14	Critically analyze the impact of globalization on Indian Economy.	15	CO 4
Q 15	Explain Heckscher–Ohlin theory of International Trade.	15	CO 4
Q 16	Critically analyze the factors affecting Exchange rate fluctuations.	15	CO 4
SECTION-D			
Q 17	What are the major determinants of Trade? Whether tariff or quota is better an open economy? Explain with the help of suitable diagram to justify your answer.	30	CO 5