



UNIVERSITY OF PETROLEUM & ENERGY STUDIES

DEHRADUN

End Semester Examination –May, 2017

Name of the Program: BBA (OG)

Semester – IV

Subject Name : International Business

Max. Marks : 100

Subject Code : BBCG 106

Duration : 3 Hrs

This question paper has 2 page(s).

Section – A (5*4 =20 Marks)

1. Briefly Explain the following terms
 - a) Tariffs & Quotas
 - b) Balance of Trade
 - c) Appreciation of currency
 - d) Offshoring
 - e) Producer and Consumer Surplus

Section - B (4*10=40 Marks)

2. Explain various environmental factors that affect international Trade?
3. "The front-runner in the French presidential election has told the BBC that the EU must reform or face the prospect of "Frexit".
Brexit has pushed other nations to rethink on their association with EU.
Explain in detail your views on the crises that are looming over EU as a result of Brexit.
4. Explain purchasing power theory or law of one price with the help of example.

5. Following is the table showing output per hour of work with regards to watches and shoes in India and Vietnam.

OUTPUT PER HOUR OF WORK		
	WATCHES	SHOES
INDIA	12	6
VIETNAM	2	4

Calculate total production before and after trade. Assume that total number of hours is 1000 out of which 750 is dedicated to manufacturing watches and 250 for shoes.

Section - C (2*20=40 marks)

6. How do imports and exports affect consumer and producer surplus? Also show the changes on consumer and producer surplus as a result of tariffs.
7. “Job outsourcing helps U.S. companies be more competitive in the global marketplace. It allows them to sell to foreign markets with overseas branches. They keep labour costs low by hiring in emerging markets with lower standards of living. That lowers prices on the goods they ship back to the United States.”

Discuss and give rational on your stand on current US policies on outsourcing. Is protectionism gaining ground? Support your argument with facts.