

**B.V. Patel Institute of Business Management, Computer & Information Technology,
Uka Tarsadia University**

2nd Internal Examination – BBA (IB) 5th Semester

030030527 - DSE1 International Trade: Policy & Strategy

Max. Marks: 50

Date: 11/10/2017

Time: 2 hrs.

Q: 1 Answer the following (any five)

[10]

1. What is import quota?
2. What kind of trade problems are faced by less developed countries?
3. What is the purpose of GATT?
4. What is meant by import substitution policy?
5. Why and when was the European Union formed?
6. Define dumping.

Q: 2 Answer the following (any two)

[20]

1. Why was there a need for establishing the International Trade Organization for controlling and regulating international trade?
2. Jacob Viner showed, using partial equilibrium analysis, that a trade creating customs union necessarily increases welfare. Does his assertion hold under general equilibrium analysis? Illustrate your answer.
3. Why have developing nations of late switched over from import substitution to openness in trade? How do you rate the prospects of their gains in their industrial growth through trade?

Q: 3 Answer the following (any two)

[20]

1. Discuss the trade diversion effects of custom union through partial equilibrium analysis.
2. Why it is said that foreign trade plays a significant role in the economic development of a country?
3. What was the purpose for establishment of the South Asia Association for Regional Cooperation (SAARC)? How has SAARC benefited member countries?