

Supplementary Examination – May, 2017

Program/course: BBA-Foreign Trade
Subject: Regional Economic Integration
Code: BBFT108
No. of page/s: 02

Semester : IV
Max. Marks : 100
Duration : 3 Hrs

Section-A. Objective Type Questions (10 x 2 = 20 marks)

1. Features of a Customs Union include (*choose all that apply*):
 - a) Removal of barriers to trade in goods and services.
 - b) Removal of restrictions on the movement of factors of production.
 - c) Common trade policy with respect to non-members.
 - d) Coordination of economic policies.
2. Coordination of monetary and fiscal policies is common to all forms of economic integration. True/False?
3. In its agreements, WTO permits special and differential treatment for LDCs and developing countries. True/False?
4. Increase in competition, possibly leading to breakdown of monopolies, is a likely effect of economic integration. True / False?
5. Reluctance of nations to surrender national power and self determinism is a major impediment to economic integration. True / False?
6. Removal of restrictions on the movement of factors of production is a feature of the following form(s) of economic cooperation:
 - a) Free Trade Area
 - b) Preferential Trading Agreement
 - c) Customs Union
 - d) Economic Union
7. India is a member of the Trans Pacific Partnership Agreement (TPP). True / False?
8. Which of the following are the aims of economic integration in general (*choose all that apply*):
 - a) To form military alliance
 - b) To reduce costs for producers
 - c) To increase trade between the countries taking part in the agreement
 - d) To establish monopolies
9. NATO is:
 - a) Economic union

- b) FTA
 - c) Customs Union
 - d) None of the above.
10. Generally, which of the following are not major impediments to economic integration (*choose all that apply*):
- a) Lack of political will
 - b) Reluctance of nations to surrender national power and self determinism
 - c) Movement of factors of production from areas of lower to higher productivity
 - d) Trade creation

Section-B. Short Answer Questions (2 x 10 = 20 marks)

11. With the help of an example, explain the process of “trade creation” and “trade diversion” due to economic integration?
12. What are the various forms of economic integration and how do they differ from each other? Give actual examples of each.

Section-C. Descriptive/Subjective Questions (2 x 15 = 30 marks)

13. (a) How do the dynamics of certain forms of regional economic integration lead to reduced import prices and breakdown of monopolies?
- OR
- (b) Given the characteristics of emerging and transition economies, which type of economic integration is more suitable for them – regional or global? Why?
14. (a) Discuss the opportunities and challenges for International Managers due to regional economic integration. How should international managers respond to these opportunities and challenges?
- OR
- (b) How do the dynamics of certain forms of regional economic integration lead to higher internal and external economies of scale?

Section-D. Analytical Questions (1 x 30 = 30 marks)

15. (a) Discuss the implications of “BREXIT” for India.
- OR
- (b) Discuss the implications of the US president, Donald Trump’s stand to abandon TPP.

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