



Name:
Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2022

Course: Regional Economic Integration
Program: BBA FT
Course Code: INTB2009P

Semester: IV
Time: 03 hrs.
Max. Marks: 100

Instructions: All questions are compulsory. In section c you only need to attempt three questions.

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q1	Quotas directly restrict the a. can create monopoly in the domestic market b. encourage competition among domestic suppliers c. has nothing to do with competition or monopoly d. both a and b depending upon the situation	2	CO1
Q2	Describe barter terms of trade.	2	CO2
Q3	NAFTA is an example of a. Common Market b. Custom Union c. Economic Community d. Free Trade Area	2	CO1
Q4	Non- Tariff barriers a. can provide protection b. can be setup through export taxes & subsidies c. can interfere with trade d. can do all of the above	2	CO1
Q5	Which of the following types of regional economic integration focuses only on eliminating internal tariffs? a. Free Trade Area b. Custom Union c. Common Market d. Economic Union	2	CO2
Q6	----- is the removal or reduction of restrictions or barriers on the free exchange of goods between nations a. Privatization b. Globalization c. Liberalization d. Anti-Dumping	2	CO1
Q7	Explain monetary integration	2	CO4

Q8	True or false Formation of regional economic integration is always beneficial for the member countries	2	CO2
Q9	True or False World Bank and GATT are same organizations	2	CO1
Q10	What is an International Business? a. Trade between countries b. Trade between regions c. Trade between states d. Trade between provinces	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q11	What are the implications of the theory of second best?	5	CO4
Q12	Discuss why countries form Regional Economic Integration?	5	CO4
Q13	Critically analyze the statement: "International trade is regarded as the engine of growth."	5	CO3
Q14	What are mercantilists view on international trade? Is it still relevant in today's business scenario?	5	CO2
SECTION-C 3Qx10M=30 Marks			
<i>Attempt any three questions</i>			
Q15	"The static, partial equilibrium effects of customs unions are measured in terms of trade creation and trade diversion". Explain in detail the trade creation	10	CO5
Q16	What is meant by a preferential trade arrangement? a free trade area? a common market? an economic union? Give an example of each.	10	CO3
Q17	Compare the ideology of free trade and protectionism. Present arguments against and favor of both.	10	CO4
Q18	World Bank has a concept of 'most favored nations. What is meant by it? Despite being 'most favored nations, why does countries form regional economic integration? Explain,	10	CO2
SECTION-D 2Qx15M= 30 Marks			
Q 19	Case Study: Gains from the Single EU Market At the beginning of 1993, all remaining restrictions to the free flow of goods, services, capital, and labor among member nations were eliminated so that the EU (European Union) became a single, unified market. Over time, this was expected to result in substantial efficiency gains and other benefits to the EU. Below given table shows that the EU's gross domestic product (GDP) was expected to increase by 0.2 percent from the removal of nontariff trade barriers, 2.2 percent from the removal of production barriers, 1.65 percent from economies of scale, and 1.25 percent from intensified competition, for an overall total (one-time) gain of 5.3 percent of the EU's GDP in 1988. This was equivalent to about \$265 billion. In	15	CO2

addition, the overall rate of inflation was expected to fall by 6.1 percent and 1.8 million additional jobs were expected to be created, thereby reducing the average rate of unemployment in the EU by 1.5 percentage points. The EU92 Program also induced large foreign direct investments from the United States and Japan in anticipation of a possible increase in EU protectionism against outsiders. In 2003, the European Commission actually put the gains of EU92 at about 2 percent of EU's GDP.

	Percent of EU's 1988 GDP
<i>Gains from</i>	
Removal of nontariff trade barriers	0.20
Removal of production barriers	2.20
Economies of scale	1.65
Intensified competition	1.25
Overall total gains	5.30

Define Economic Union. Is EU (European Union) a perfect example of economic union? What was the effect of the formation of the EU on trade with member and nonmember countries?

Q20	<p>“The formation of the customs union initiates a process of structural readjustments”.</p> <p>In the light of the above statement highlight the dynamic effects of Custom Union.</p>	15	CO4
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