

Check Answer Report

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Light Red Color Indicates Wrong Answer.

1 A technology-driven firm constantly needs to have just-in-time systems with possibilities to quickly respond to changes in its supply network due to the needs of the changing technology and product developments taking place in the value chain. How can this be achieved?

- ☐ Distribution and logistics systems are not used to the new technologies both within the information systems and because of developments in the infrastructure in many parts of the world.
- ☒ Distribution and logistics systems are eased by the new technologies both within the information systems and because of developments in the infrastructure in many parts of the world.
- ☐ Distribution and logistics systems are eased by the new technologies both within the information systems and because of hindrances in the infrastructure in many parts of the world
- ☐ Distribution and logistics systems are hindered by the new technologies both within the information systems and because of developments in the infrastructure in many parts of the world.

2 Distribution and logistics systems are eased by the new technologies

- ☐ where even small businesses can often tap into the global marketplace
- ☐ that include a competency to successfully manufacture skill-intensive products and services
- ☐ where outsourcing and vertical disintegration of large firms is in many cases a reality.
- ☒ both within the information systems and because of developments in the infrastructure in many parts of the world

3 Economic globalization also includes competition, technology, and corporations and industries.

- ☒ Yes
- ☐ No

4 One of the biggest successes of environmental cooperation has been the agreement to reduce chlorofluorocarbon emissions,

- ☐ as specified in the Montreal Protocol, in order to stop oxygen depletion.
- ☐ as specified in the Montreal Protocol, in order to stop ozone layers.
- ☒ as specified in the Montreal Protocol, in order to stop ozone depletion.
- ☐ as specified in the Montreal Protocol, in order to speed-up ozone depletion.

5 Non-governmental organizations enforce public policy across national boundaries, including humanitarian aid and developmental efforts.

- ☐ True
- ☒ False

6 Critics of globalization argue that globalization results in strong labor unions.

- ☐ Yes
 - ☒ No
-

7 As technology breaks down geographic and cultural communication barriers,

- ☐ outsourcing and vertical disintegration of large firms is in many cases a reality.
 - ☐ that leads to a competency to successfully manufacture skill-intensive products and services
 - ☒ even small businesses can often tap into the global marketplace
 - ☐ it leads to exposures of firms to certain risks that increase costs.
-

8 Globalization has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport.

- ☒ True
 - ☐ False
-

9 Internationalization of business exposes firms to certain risks that increase costs.

- ☒ True
 - ☐ False
-

10 Nation's elites have turned into tourists in their own countries

- ☐ has led to privatization
 - ☐ a free-trade region encompassing a trade bloc
 - ☒ as a result of Globalization
 - ☐ creates an erratic flow of goods and services across borders.
-

11 The full form of ILO is

- ☐ Indian Labour Organization
 - ☐ International Labour Office
 - ☐ Indian Labour Office
 - ☒ International Labour Organization.
-

12 A company in Canada has offered you a job and since it is very lucrative, you decide to take the job and settle down in Canada. Entry into that country results in

- ☐ Emigration
 - ☒ Immigration
 - ☐ Tourism
 - ☐ Illegal entry
-

13 Liberalization has led to an increase in trade barriers.

- ☐ Yes
 - ☒ No
-

14 A primary engine of the country's development over the next few decades,

- ☒ will be the result of increased business process outsourcing
 - ☐ creating an erratic flow of goods and services across borders.
 - ☐ the pollution promulgated by the rich being systematically dumped on the poor.
 - ☐ because of increased production.
-

15 Globalization has created an erratic flow of goods and services across borders.

☐ True
☒ False

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1 .In 1994 the rupee was convertible on the current account, with some capital controls.

- ☒ Yes
☐ No
-

2 The full form of NZD is

- ☐ New Zealand Dinar.
☐ New Zealand Deutsch.
☒ New Zealand Dollar.
☐ New Zaire Dollar.
-

3 Modern money bills are pieces of paper rather than coins made of gold, silver, or bronze.

- ☒ True
☐ False
-

4 The design of banknotes is approved by the central government, on the recommendation of

- ☐ the central board of the State Bank of India.
☐ the central board of the Central Bank of India.
☐ the central board of the Union Bank of India.
☒ the central board of the Reserve Bank of India.
-

5 The full form of SDR is

- ☐ Specific Drawing Rights
☒ Special Drawing Rights
☐ Special Dollar Rights
☐ Special Drawing Recourse
-

6 The gold standard is a monetary system in which paper money is freely convertible into a fixed amount of gold as in such a monetary system, gold backs the value of money. Then why is gold not the actual money to be used in trade?

- ☒ Paper money is found to be a more flexible instrument for our complex financial world whereas Gold is very heavy and risky to be handled on a day to day basis.
☐ Any amount of paper money can be printed by Governments to be used on a day to day basis.
☐ Paper money can be replicated easily by fraudsters and used as a parallel economy.
☐ Gold is very heavy to handle and it cannot be duplicated easily.
-

7 Indian currency has arisen with the popularity of computers and the Internet.

☐ Yes

☒ No

8 Virtual currencies such as bitcoins have no physical existence or government backing and

☐ are traded and stored in paper form.

☐ are traded and stored in electric form.

☒ are traded and stored in electronic form.

☐ are traded and stored in debit card form.

9 Currencies are defined by governments, and each type has limited boundaries of acceptance.

☒ True

☐ False

10 The full form of ZAR is

☒ South African Rand.

☐ South African Rupee.

☐ South African Rupiah.

☐ South African Rials.

11 Originally money was a form of receipt, representing grain stored in temple granaries.

☐ Yes

☒ No

12 Major nations established mints to print money and mint coins, and branches of their treasury

☐ to collect taxes and hold agricultural stock.

☒ to collect taxes and hold gold and silver stock.

☐ to collect taxes and hold copper stock.

☐ to collect taxes and hold intangible stock.

13 There are also branded currencies, like Reliance and Tata credit card points and Disney Dollars.

☐ True

☒ False

14 Both silver and gold were considered a legal tender and accepted by governments for taxes. Then why did all the Governments print fiat paper money?

☐ Governments printed fiat paper money since it was a very flexible mode of exchange.

☐ Governments printed fiat paper money since there was no binding on printing the same.

☐ Paper money can be easily exchanged for Gold as and when required.

☒ Paper currency was introduced because it was easy to carry.

15 As with any currency, the dollar is supported by economic fundamentals, including gross domestic product, and

☐ Fluctuating employment reports.

☐ manufacturing downtrend reports.

☐ manufacturing and employment reports.

☐ Unstable financial results all round.

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1 Developing countries and countries not endowed with oil export resources enjoyed greater access to IMF lending programs.

- ☒ True
☐ False
-

2 Sovereign nations have the right and power to issue currencies, formulate their own economic policies,

- ☐ impose taxes, and regulate movement of people, goods, and capital across their borders.
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☐ impose taxes, and regulate movement of people, goods, and capital across their borders.
-

3 International monetary fund is also known as the Fund.

- ☒ Yes
☐ No
-

4 The full form of ECU is

- ☐ European Current Unit.
☐ Europe Currency Unit.
☐ Eurasian Currency Unit.
☒ European Currency Unit.
-

5 The weights within the ECU changed in response to variances in the values of each currency in its basket.

- ☒ True
☐ False
-

6 The IMF developed a new reserve instrument called special drawing rights, which could be held by central banks and exchanged among themselves and the Fund as an alternative to gold. Then why can SDRs not become the standard for World currency?

- ☐ SDR as an instrument did not treat all other currencies of the world as equals.
☐ SDR as an instrument could not fit the criteria of a World currency as only a few countries used it.
☒ SDRs entered as units of a market basket of sixteen major vehicle currencies of countries whose share of total world exports exceeded 1%. Other countries did not enter the basket. So the SDR instrument is not a vehicle for trade amongst all countries.
☐ SDR was not backed by Gold standard to be designated as a currency.
-

7 The U.K. government attempted several measures to revive the London foreign exchange market

- ☒ Yes

☐ No

8 Economists have referred to the onset of World War I as the end of an age of innocence for foreign exchange markets,

- ☐ as it was the first geopolitical conflict to have a destabilizing and paralyzing impact.
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 - ☐ as it was the first geopolitical conflict to have a destabilizing and paralyzing impact.
-

9 The full form of ERM is

- ☐ Exchange Rate Model.
 - ☐ Exchange Role Mechanism,
 - ☐ Exact Rate Mechanism,
 - ☒ Exchange Rate Mechanism
-

10 The foreign exchange market assists international trade and investments

- ☐ as instruments of traded commodity.
 - ☒ by enabling currency conversion.
 - ☐ To do trading in goods and services for international trade.
 - ☐ Currencies, as a form of traded goods is a more convenient form of international trading.
-

11 In the judgment of the IMF, the adoption by the member of certain corrective measures or policies will allow it

- ☒ to repay the IMF, thereby ensuring that the resources will be available to support other members.
 - ☐ to repay the IMF, thereby ensuring that the resources will be available to support other members.
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 - ☐ to repay the IMF, thereby ensuring that the resources will be available to support other members.
-

12 As economies became more open, nations became increasingly exposed to external forces.

- ☐ Yes
 - ☒ No
-

13 The stated mission of the BIS is to serve central banks in their pursuit of monetary and financial stability,

- ☐ to foster international cooperation in those areas and to act as a bank for central banks.
 - ☐ to foster international cooperation in those areas and to act as a bank for central banks.
 - ☐ to foster international cooperation in those areas and to act as a bank for central banks.
 - ☒ to foster international cooperation in those areas and to act as a bank for central banks.
-

14 The full form of SBA is

- ☐ Stand-By Agreements
 - ☐ Stated-By Arrangements,
 - ☒ Stand-By Arrangements
 - ☐ Stand-By Alliances,
-

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1 Currency devaluations can be used by countries to achieve economic policy which can help boost exports, shrink trade deficits and reduce the cost of interest payments on its outstanding government debts. By this yardstick, why do all countries not go for devaluation?

- ☐ Looking to all these positive effects of devaluations, all countries should go for it.
- ☐ If all countries go for devaluation looking to get all these benefits, it will definitely lead to a trade war.
- ☒ Devaluation has a major negative effect as they create uncertainty in global markets which can cause asset markets to fall or spur recessions bringing a rapid downfall for all countries.
- ☐ This is a matter for Economists to consider on a wider scale since it could affect the economy of all countries.

2 The balance of payments includes all domestic transactions of a country.

- ☐ Yes
- ☒ No

3 The Full Form of BoP is

- ☐ Bankers of Payments
- ☐ Balance of Paper-money.
- ☐ Benefit of Payments.
- ☒ Balance of Payments

4 A currency crisis, occurs when a nation is unable to pay for essential commodities or debt repayments.

- ☐ True
- ☒ False

5 The balance of payments transactions include payments for the country's exports and imports,

- ☐ It is incorporated in a single currency, typically the domestic currency for the country concerned.
- ☐ It is accounted in a single currency, typically the domestic currency for the country concerned.
- ☐ It is accepted in a single currency, typically the domestic currency for the country concerned.
- ☒ It is prepared in a single currency, typically the domestic currency for the country concerned.

6 A favourable trade balance is a consequence of exporting more.

- ☒ Yes
- ☐ No

7 The Full Form of OECD is

- ☐ Organisation for Economic Co-relation and Development.
- ☒ Organisation for Economic Co-operation and Development.
- ☐ Organisation for Economic Co-operation and Direction.

☐ Organisation for Effective Co-operation and Development.

8 Devaluation does not always work, and moreover may lead to a currency war between nations.

- ☐ True
☒ False
-

9 The fundamental function of an international monetary system is to provide mechanisms to correct imbalances. Then why do countries hoard foreign currencies?

- ☒ The reserve asset being amassed by surplus countries is to avoid a balance of payment crises.
☐ Countries hoard foreign currencies so that deficit countries build debts.
☐ Countries hoard foreign currencies for depleting the supply of other countries
☐ Most countries do not have faith in the international monetary system to protect their balance of payments.
-

10 A gold standard enjoyed wide international participation.

- ☒ Yes
☐ No
-

11 While consumers increasingly import foreign goods or purchase domestic goods produced with foreign inputs,

- ☐ businesses continue to expand production internationally to meet an increasingly globalized composition in the world economy.
☐ businesses continue to expand production internationally to meet an increasingly globalized classification in the world economy.
☒ businesses continue to expand production internationally to meet an increasingly globalized consumption in the world economy.
☐ businesses continue to expand production internationally to meet an increasingly globalized criteria in the world economy.
-

12 Nations and international businesses face an array of financial risks unique to trading activity.

- ☐ True
☒ False
-

13 The Full Form of SNA is

- ☐ United Nations System of National Actions.
☐ United Nations System of Notional Accounts.
☒ United Nations System of National Accounts.
☐ United Nations Symbiosis of National Accounts.
-

14 A strong currency is necessarily in a nation's best interests.

- ☐ Yes
☒ No
-

15 Governments have cooperated to establish a host of institutions and practices that have evolved

- ☐ over time and are referred to collectively as the international futuristic architecture.
☒ over time and are referred to collectively as the international financial architecture.

- ☐ over time and are referred to collectively as the international favourable architecture.
 - ☐ over time and are referred to collectively as the international heritage architecture.
-

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1 Trade in goods and services can serve as a substitute for trade in factors of production.

- ☒ True
☐ False
-

2 Firms around the world import goods and services, in order to use them as inputs

- ☐ to prepare goods and services that are later exported.
☒ to produce goods and services that are later exported.
☐ to produce goods and services that are later destroyed.
☐ to produce goods and services that are later stored.
-

3 Global income growth is being driven by trade and transport.

- ☐ Yes
☒ No
-

4 It is a fact that India is the fastest growing economy in the world as of now as against being one of the least developed economy. How has this been achieved?

- ☐ Being open to international trade, we are one of the largest consumers of world class products.
☐ India is the largest consumer of petroleum products and gold ornaments, which gives us this advantage.
☒ The effect of liberalization process undertaken by us has given a big benefit from opening up of foreign trade, which has promoted dynamism and innovation within our economy.
☐ The vast population of our country have now been able to get imported goods of international standards, which has generated revenue for the country.
-

5 International trade allows us to expand our markets for both goods and services that have been available to us.

- ☐ True
☒ False
-

6 International trade is, in principle, not different from domestic trade as the motivation and the behavior of parties

- ☐ involved in a trade changes fundamentally regardless of whether trade is across a border or not.
☐ involved in a trade do not change drastically regardless of whether trade is across a border or not.
☐ involved in a game do not change fundamentally regardless of whether trade is across a border or not.
☒ involved in a trade do not change fundamentally regardless of whether trade is across a border or not.
-

7 Trade based on comparative advantage tend to benefit small countries

- ☒ Yes
☐ No

8 Those entrepreneurs who are interested in the field of international trade need to possess

- ☒ the ability to think globally and have an understanding of international cultures.
 - ☐ the ability to think globally and have an understanding of international cultures.
 - ☐ the ability to think globally and have an understanding of international appetite.
 - ☐ the ability to think globally and have an understanding of our cultures.
-

9 Since independence, India's balance of payments on its current account has been negative.

- ☒ True
 - ☐ False
-

10 International trade is not different from domestic trade as the motivation and the behavior of parties involved in a trade do not change. Then what is the negative factor in international trade?

- ☐ International trade gives the country more exposure to external forces.
 - ☐ Theft and pilferage is more abundant in international trade.
 - ☒ The main difference is that international trade is typically more costly than domestic trade.
 - ☐ The payment factor in international trade is always in doubt.
-

11 Communication is the fundamental tool by which people interact in organizations.

- ☒ Yes
 - ☐ No
-

12 Millions of products are travelling across oceans, to satisfy our needs or to entertain us,

- ☐ to make our trade easier, faster, happier, etc.
 - ☒ to make our lives easier, faster, happier, etc.
 - ☐ to make our business easier, faster, happier, etc.
 - ☐ to make our thinking easier, faster, happier, etc.
-

13 We are globally connected to one another by purchasing and using goods from all over India.

- ☐ True
 - ☒ False
-

14 The principle of comparative advantage postulates that all nations can gain from trade if each specializes in producing

- ☐ what they are relatively more effective at producing, and import the rest.
 - ☐ what they are relatively more difficult at producing, and import the rest.
 - ☐ what they are exclusively more efficient at producing, and import the rest.
 - ☒ what they are relatively more efficient at producing, and import the rest.
-

15 The economy of India is a developed mixed economy.

- ☐ Yes
 - ☒ No
-

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1 The balance of trade forms part of the current account, which includes other transactions

- ☐ such as income from the net international investment position as well as national aid.
 - ☐ such as income from the net national assets position as well as international aid.
 - ☐ such as income from the net international investment position.
 - ☒ such as income from the net international investment position as well as international aid.
-

2 The two largest goods traded by India are mineral fuels and automobiles.

- ☐ Yes
 - ☒ No
-

3 Free trade benefits consumers through increased choice and reduced prices but many governments still impose tariffs and other trade barriers. How do we justify this?

- ☐ Governments apply tariffs and other trade barriers so that more revenue is generated for the country.
 - ☒ Trade barriers are imposed on imports to protect the local employment and also to restrict export of the natural resources of the country.
 - ☐ Governments apply tariffs and other trade barriers to reduce consumption of imported goods by consumers.
 - ☐ Governments apply tariffs and other trade barriers to conserve scarce foreign currency.
-

4 The WTO ranks India fifth for commercial services exports and sixth for commercial services imports.

- ☒ True
 - ☐ False
-

5 WTO presses for free trade which involves the removal of all such trade barriers, except perhaps

- ☒ those considered necessary for health or national security.
 - ☐ those considered necessary for national currency.
 - ☐ those considered necessary for healthy economy.
 - ☐ those considered necessary for healthy citizens.
-

6 Free trade is a policy to eliminate discrimination against imports and exports.

- ☒ Yes
 - ☐ No
-

7 The use of tariffs to protect infant industries can be seen as a part of

- ☐ the Import Substitution Industrialization strategy employed by many developed nations.
- ☐ the import strategy employed by many developing nations.
- ☒ the Import Substitution Industrialization strategy employed by many developing nations.

☐ the export subsidy strategy employed by many developing nations.

8 Free trade is the same as trade protectionism or economic isolationism.

- ☐ True
☒ False
-

9 Most countries prefer to apply trade barriers to control the positive and negative effects of balance of trade. Is this justified?

- ☐ No. WTO has always insisted that all countries should adopt free trade.
☐ This is a complex matter to be discussed amongst economists of all countries.
☒ A trade surplus or deficit is not always a viable indicator of the economic health of the country,
☐ As an individual, I am in no way concerned, so why should I comment.
-

10 The Indian textiles sector remains a beneficiary of many export promotion measures.

- ☒ Yes
☐ No
-

11 One of the most common non-tariff barriers is the prohibition or restrictions on imports

- ☐ maintained through export licensing requirements.
☒ maintained through import licensing requirements.
☐ maintained through import duty requirements.
☐ maintained through internal licensing requirements.
-

12 India uses export barriers to reduce stocks and has permitted exports of certain agricultural commodities.

- ☒ True
☐ False
-

13 Tariffs are paid to the trade authority of the country imposing the tariff.

- ☐ Yes
☒ No
-

14 In international purchases and International Competitive Bids domestic companies

- ☐ get a credit preference in government contract and purchases.
☐ get a price preference in all purchases.
☐ get a preference in government contracts.
☒ get a price preference in government contract and purchases.
-

15 The government does not provide preferences to Indian micro, small, and medium enterprises and to state owned enterprises.

- ☐ True
☒ False
-

Give Your Comments