

Reg. No.

--	--	--	--	--	--	--	--	--	--



MIBH 452

**II Semester M.B.A. (IB) Degree Examination, September/October 2022
(Regular and Repeaters)
INTERNATIONAL BUSINESS
Foreign Trade Management**

Time : 3 Hours

Max. Marks : 70

SECTION – A

(Compulsory)

Answer to the question should **not** exceed **6** pages.

(1×15=15)

1. What is the role played by ECGC to promote international trade ? Explain the various schemes offered by Export Credit Guarantee Corporation to its exporters.

SECTION – B

Answer **any five** questions. **Each** question carries **8** marks. Answer to the question should **not** exceed **5** pages.

(5×8=40)

2. What are the differences between spot market and forward market ?
3. Explain the norms governing establishment of Special Economic Zones in India.
4. State the measures of import trade control.
5. What do you mean by TT buying and TT selling rate ? How TT selling rate is calculated ?
6. What is Devaluation ? State the pros and cons of devaluation.
7. Why GATT changes into WTO ?
8. What do you mean by free imports and restricted imports ? List out items restricted to import in India.

P.T.O.



SECTION – C
(Compulsory)

Answer to this question should **not** exceed **6** pages.

(1×15=15)

9. From the 1940s till the mid-1970s, the Mexican economy enjoyed a strong growth. Vast petroleum and oil reserves were discovered in Mexico in the 1970s. The Mexican government expected that the income earned by exporting petroleum would help them balance their spending. But in 1976, Mexico's balance of payments showed a deficit. The government allowed the peso to float in 1976, which resulted in peso depreciation. Decreased demand and lower prices of petrol made the government devalue the peso in 1983. In 1994, Mexico signed the North America Free Trade Agreement (NAFTA) and expected its foreign trade to increase. But the growing current account deficit and large short-term borrowing led to another devaluation in December 1994. The devaluation of the peso affected trade with the US and other countries. The Mexican government tried to improve its economic conditions by taking advantages under the NAFTA. On January 1st 2004, Mexico ranked eighth in the world among the largest trading countries.

Questions :

- a) Analyse the case study and discuss the effect of devaluation on the foreign trade of Mexico.
 - b) Explain the relation between the exchange rate and the exports of Mexico.
-