

NAME OF THE COURSE: B COM. H. SEM IV

SCHEME/MODE OF EXAMINATION: CBCS (OPEN BOOK)

NAME OF THE PAPER: BCH 4.2: BUSINESS MATHEMATICS

UNIQUE PAPER CODE: 22411402

DURATION: 2 HOURS

MAXIMUM MARKS: 75

NOTE: ANSWER MAY BE WRITTEN IN ENGLISH OR IN HINDI; BUT SAME MEDIUM SHOULD BE USED THROUGHOUT THE PAPER.

ATTEMPT ANY FOUR QUESTIONS, ALL QUESTIONS CARRY EQUAL MARKS.

Q1) The following table gives the technology matrix for a two-sector economy:

	Sector 1	sector 2
Sector 1	0.5	0.3
Sector 2	0.3	0.2
Labour	0.5	0.4

Final demand for the two sectors is 15 units and 20 units respectively.

- (i) Write down the input-output table for the economy.
- (ii) If the total labour available is 20 units, is the solution feasible?
- (iii) Also find the equilibrium prices if the wage rate is ₹ 50 per man day.

Q2) Given below is a simplex tableau for a maximisation linear programming problem:

		C_j	4	5	8	0	0	0
C_j	Basic variable	solution/value	x_1	x_2	x_3	S_1	S_2	S_3
5	x_2	10	0	1	3/5	0	1	0
4	x_1	5	1	0	20/4	0	-1	0
0	S_1	20	0	0	-1/5	1	0	1

Complete the above table and answer the following questions with reasons:

- (i) Is the solution optimal?
- (ii) Is this solution feasible?
- (iii) Does the problem have multiple optimal solutions? If so, show one such solution.
- (iv) Which of the resource(s) is being used to the full capacity?
- (v) Which of the resource(s) has excess or spare capacity?
- (vi) If a customer is prepared to pay higher prices for product x_3 how much should the price be increased so that it is produced?
- (vii) Indicate whether the solution given in the table is degenerate. If yes, which variable is degenerated?

Q3) A monopolist has the following demand and average cost functions:

$p = 50 - x/3$ and $AC = 0.5 + 10 + 400/x$ where p is price and x is quantity.

- (i) Find what is elasticity of demand when $p = 30$.
- (ii) Determine the level of output at which profit will be maximum.
- (iii) At that level of output, prove that elasticity of average cost is equal to elasticity of total cost minus one.

Q4) A production function is given by $Q = 45 L^{1/3}K^{2/3}$, where L is labour and K is capital.

- (i) Find the behaviour of the marginal product of each factor.

- (ii) What is the nature of returns to scale?
- (iii) What is the total reward of labour and capital if each factor is paid a price equal to its marginal product?

Q5) A firm is considering buying an energy saving device which will reduce its consumption of electricity. The device will cost ₹ 90,000. Engineering estimates suggest that the savings from using device will occur at the rate of ₹ $S(t)$ per year. $S(t) = 5000t^{1/2}$, $0 \leq t \leq 15$ and t is the time in year.

- (i) Find the cumulative savings at the end of 4 years.
- (ii) What are the total savings in the fourth year?
- (iii) Also determine how long it will take for the firm to recover the cost of device.

Q6) Mr X purchased a house for ₹ 5,00,000. He agrees to pay for the house in 10 equal instalments at the end of each year. If money worths 8% effective. What would be the size of each instalment?

- (i) If instalment is paid at the end of each year.
- (ii) If instalment is paid in the beginning of each year.
- (iii) if the first instalment to begin after three years from now.
- (iv) What happens in above three cases, if Mr X makes a down payment of ₹ 1,00,000.

Unique Paper Code	:	22413405
Name of the Paper	:	Entrepreneurship
Name of the Course	:	B.Com Hons
Semester	:	IV
Maximum Marks	:	75
Duration	:	2 hours

Instructions for Candidates

- *Attempt any 4 questions.*
- *All questions carry equal marks.*

1. ‘Entrepreneurs have tolerance for ambiguity, are calculated risk takers, have high regard for integrity and reliability and possess high business related creativity’. Comment upon the statement and support your answer with traits of a successful Indian entrepreneur.
2. ‘Venturing’ implies risk taking. Do you agree? What is the need of disclosing “risk factors” in a business plan along with estimates of profitability and cash flows?
3. “A majority of the micro, small and medium enterprises are unregistered”. Why do these enterprises choose to stay unregistered and how would they benefit by registering?
4. Recently our government announced an economic stimulus and a number of systematic reforms to take the country on the path of “Aatma Nirbhar Bharat” (self-reliant India). Studying entrepreneurship through the semester and launch of these schemes has only turned your thinking into desire to start an enterprise of your own. An idea of manufacturing bathing soap has come to your mind. In your lecture classes you have been told that any idea to start an enterprise must be tested for its feasibility before starting the enterprise. How would you test the market and financial feasibility of your business idea?
5. “Just like a child has teething problems likewise business start ups are also likely to face some problems”. Elaborate the statement.
6. Business incubators serve as a launchpad for new companies and provide them a host of facilities including space and training. Moreover, the wisdom of a mentor can accelerate the growth of an entrepreneur. Explain the role of incubators and mentors in supporting entrepreneurial activities in an economy.

Unique Paper Code: **22411601**

Name of the Paper: **Auditing and Corporate Governance Core**

Name of the Course: **B.Com (Hons.), CBCS**

Semester: **VI**

Duration: **2 hours**

Maximum Marks: **75 Marks**

Instructions for Candidates

Note: Answers may be written *either* in English or in Hindi; but the same medium should be used throughout the paper.

Attempt any *four* questions.

All questions carry equal marks.

Q1. What kind of opinion shall an auditor give when he/she is unable to obtain sufficient and appropriate audit evidence that the financial statements are free from material misstatement? Explain. Also discuss briefly the different types of modified reports.

Q2. You are working as the manager at an electronics manufacturing company for the past few years. One day you notice that the financial manager is window dressing the financial statements and is tampering with the books of accounts. As a loyal employee of the company, you want to disclose this foul play to the seniors, but you realise that even the seniors are involved. What would you do in such a scenario? What is the act of exposing and making public wrongful acts of others called? Explain its concept, various types, pros and cons, and the legal provisions relating to it.

Q3. ‘One of the major operating expenses related to its line costs (the fees that it paid to its third party telecom network providers for the right to access their networks) was underreported, by capitalising it on the balance sheet rather than properly expensing it. This resulted in both an increased net income and increased assets.’ Identify and explain the scam being referred to above, bringing out the flaws in corporate governance.

Q4. 'The OECD code/principles cover the issues of corporate governance around international trade and global stock markets more comprehensively than the Cadbury code'. Discuss.

Q5. 'A code of ethics make decision-making easier at all levels of an organization by reducing ambiguity and considerations of individual perspectives in ethical standards'. Discuss.

Q6. Should a company spend money on CSR? An Indian listed public company has an annual turnover of Rs 2,500 crores in financial year 2019-20. Its net profits for the last three years were Rs. 205 crores, Rs. 190 crores, and Rs. 191 crores respectively. Make the CSR policy for this company.

Subject Paper Code	:	22417608	Set- A
Name of the Paper	:	Financial Reporting & Analysis	
Name of the Course	:	B.Com (H)	
Semester	:	VI (CBCS)	
Duration	:	2 Hours	Maximum Marks: 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. You have to attempt 4 questions out of the 6 given. All questions carry equal marks.
3. Answers may be written in English or in Hindi; but the same medium should be used throughout the paper

Q. 1. "World is moving towards International Financial Reporting Standards (IFRS)." Do you agree with the statement? How has India responded to this movement? Discuss "Relevance" and "Reliability" as primary qualities of financial reporting information with help of suitable examples.

Q. 2. From the records of SG Company Limited, the following summarized information is available for the month of March 2020.

Sales of the month: Rs. 19, 25,000

Opening Stock as on March 1, 2020: 1, 25,000 litres @ Rs. 6.50 per litre

Purchases (including freight and insurance):

March 5, 2020 1, 50,000 litres @ Rs. 7.10 per litre

March 27, 2020 1, 00,000 litres @ Rs. 7.00 per litre

Closing Stock as on March 31, 2020: 1, 30,000 litres

General Administration Expenses for the month: Rs. 45,000

On the basis of the above information, workout the following using FIFO and LIFO methods of inventory valuation assuming that pricing of issues is being done at the end of the month after all receipts during the month:

- (a) Value of closing stock as on March 31, 2020
- (b) Cost of goods sold during March 2020
- (c) Profit or loss for March 2020

Q. 3. What do you mean by deferred tax? What are the reasons for arising of divergence - between the taxable income and accounting income? Explain with suitable example.

Q. 4. SG Company's financial statements provide following information:

	2018-19	2019-20
Short term investment	2,00,000	3,20,000
Trade Receivables	3,20,000	4,00,000
Cash and cash equivalents	2,00,000	1,60,000
Prepaid expenses	28,000	12,000
Inventories	18,40,000	21,60,000
Total current assets	25,88,000	30,52,000
Total fixed assets	56,00,000	64,00,000
Current liabilities	6,40,000	8,00,000
Long-term borrowings	16,00,000	16,00,000
Share Capital	20,00,000	20,00,000
Reserve and surplus	4,68,000	8,12,000

Statement of Profit and Loss for the Current Year:		
Revenue from operation		40,00,000
Total revenue		40,00,000
Expenses:		
Cost of goods sold		28,00,000
Finance Costs	+	1,60,000
Total Expenses	=	29,60,000
Profit (Loss) before tax (40,00,000-29,60,000)		10,40,000
Tax Expenses @ 50%	-	5,20,000
Profit(Loss) from continuing operations (After Tax)		5,20,000

From the above information, analyse the company's position from Liquidity, Profitability and Activity Ratio point of view.

Q. 5. "Income determination depends upon the concept of valuation of assets applied."

Explain. Also discuss the following in light of AS-26 for Intangible Assets.

- (i) HV ltd. has spent Rs. 60, 00,000 in the year 2018-19 for publicity and research expenses of a consumer product. However, the product did not meet the expectations and failed. How this be treated in the books?
- (ii) PK Ltd. has spent Rs. 9, 00,000 in past three years to develop a drug to treat cancer, which was charged to Profit and Loss Account, since the expenditures do not meet the criteria of AS 26 for capitalization. The company had applied for government grant in the first year to develop the drug, which is received in the current year. Now, the company wants to capitalize the expenditure in the current year. Can the company do so?
- (iii) Zee Ltd. has spent Rs. 2 Crores in marketing of a new product. It is estimated that the company would have the turnover of Rs. 25 crores from the new Product. The company has charged the entire expenditure of Rs. 2 Crores to its profit and loss account. Do you agree with the treatment?

Q. 6. What is a Common Size Financial Statement? Explain briefly with examples Vertical and Horizontal Analysis. Also discuss briefly various kind of graphs used for presentation of financial information of the company.

Unique Paper Code : 22417601
Name of the Paper : Fundamentals of Investment
Name of the Course : B.Com (Hons.) : DSE-3
Semester : VI
Duration : 2 hours
Maximum Marks : 75

(Write your Roll No. on the top immediately on receipt of this question paper)

NOTE: Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

Attempt four questions in all. All questions carry equal marks.

Use of simple calculators is allowed.

Q1. You have recently graduated in Finance and have been hired as a financial planner. Your boss has assigned you the task of investing Rs.1 lakh for a client who has a 1 year investment horizon. You have been asked to consider only the following investment alternatives:

1. Invest in Fixed deposits @ 8.5% return
2. Invest in tax free bonds @ 8% return
3. Invest in equity share now @ Rs 110 (Year end price:120). The company is expected to declare a dividend of Rs 1 per share during the year.

If the client is in 30 % tax bracket, Advice the client.

Q2. Mr. Natrajan is Vice President of Metal Works Inc. The company is considering issuing bonds to satisfy part of its financing need for a new venture of Steel Plant, which is going to be launched in Mid-Western Region of India. He knows that in the current economic scenario the Indian Financial Market is sensitive to the price and terms and condition of bond issue. The company is thinking of inviting applications for issue of bonds of the face value of Rs. 1000 redeemable after a period of 8 years at 20% premium, with variable coupon rates as; 10% for first three years; 9% for next three years and 11% for remaining two years. Determine the maximum price an intending investor , expecting a return of 11% p.a. , should pay for this bond.

Q3. Simco Ltd. is thinking of reorganization of its operation and evaluating two situations. As a part of its major reorganization of its operation, it has stated that it does not intend to pay any dividend for the next two years. In three years time it will commence paying dividend at Rs. 8 per share and the Directors have indicated that they expect to achieve dividend growth at 10% p.a. thereafter. If the reorganization does not take place, dividend will be paid in the next two years and the expected dividend growth will remain at the present level of 5% p.a. The firms cost of equity capital is 15% and will be unaffected by the reorganization. The company has just paid a dividend of Rs. 10 per share. Calculate the value of firms share in both the situation.

Q4. Mr. Rajan has Rs. 5 lakhs which he wants to invest in equity shares. He surveys the stock market and decides to invest in shares of two companies: Company X and Company Y. The following are the expected return and risk of securities "X" and "Y"

	Expected Returns	Standard Deviation
X	12%	8%
Y	8%	4%

The correlation coefficient between the returns of X and Y is -1.

He puts equal amount of his investment in "X" and "Y". However he is not happy with the performance of the portfolio. He does not want to take any risk but also does not know how to form such a portfolio. Now advise him to form such portfolio. Also explain him how risk affects determination of required rate of return in the context of above two portfolios.

Q5. Mr. Jack approaches to you for investment advice. He is currently 55 years old and has Rs 80,000 in the bank. He has decided to invest his bank balance in a portfolio in which stocks and bonds are included. He is risk averse, he believes that risk free bond gives him 7.5% return and stocks at 15%. The variability (measured in standard deviation) in stock returns is 5%. He wants a return of 12% from this investment. How would you advise him in constructing the portfolio to meet his expectation? He also wants to know the risk involved in such a portfolio.

Q6. Mr. John buys following options from stock exchange in order to reduce risk.

Option	Strike Price (Rs.)	Nature of option	Option Premium (Rs.)
1	4400	Call	400
2	4000	Call	500
3	4600	Put	500
4	7500	Put	600
5	4500	Put	500

Now he wants to know at which market price he will be at break even point in each of the above case. If market price in each case is Rs.7200, calculate his net pay-off in each case. Help him to find out the solution of both the above problems. Also explain him, how is future contract better than forward?

Sr. No. of Question Paper:

Unique Paper Code: 22411602

C

Name of the Paper: Goods & Services Tax and Custom Laws

Name of the Course: B.Com. (H) CBCS

Semester: Semester VI

Duration: 2 hours

Maximum Marks: 75 Marks

Instructions for candidates:

1. Attempt any four questions out of six questions.
2. All questions carry equal marks.

Q.1	<p>Discuss whether payment of GST under Composition Scheme is applicable in the cases given below:</p> <ul style="list-style-type: none"> i) Rohit, a trader, goes to sell his garments at a trade fair organized in Delhi from September 01st to 30th, 2019. His turnover in the financial year is less than Rs. 50 lakhs. Rohit does not have a fixed place of business in Delhi. ii) Ramesh is a distributor of crockery. He is a registered dealer in Delhi during the Financial Year 2018-19. His turnover is likely to be less than Rs. 32 lakhs. He also sells his products in Haryana. iii) Karan, a Delhi based caterer, supplies food in offices and residences in Delhi. His annual turnover during the financial year 2018-19 was Rs. 35 lakhs. iv) Mr. Rawat of Shillong (Meghalaya) supplied taxable goods of Rs. 47 lakhs and supplied exempted goods of Rs. 33 lakhs during the financial year 2018-19 in different cities of Meghalaya. v) Mr. Samir Khan is a manufacturer of paan masala and tobacco products in the State of Orissa. His turnover for the year does not exceed Rs. 1.5 crores. vi) ABC Ltd. has two business units -- manufacturing steel pipes and manufacturing agricultural equipment. Its annual turnover from the two business units is Rs. 48 lakhs and Rs. 76 lakhs respectively. ABC Ltd. is registered under normal provisions of GST. With effect from April 1st 2019, it wants to opt for composition scheme.
Q.2	<p>Citing the Exemption Notification (entry number), discuss whether the following Services are chargeable to GST:</p> <ul style="list-style-type: none"> i) Pranav owns two houses in a residential colony which are rented to Manav, one for residential purposes on a monthly rent of Rs. 50,000/- and the other for commercial purposes at a monthly rent of Rs. 1,00,000/-

	<p>ii) Indigo Airlines operates its flights for transportation of passengers between Mumbai and Sikkim, and also between Mumbai and Lucknow.</p> <p>iii) Shyam Lal owns a piece of agricultural land in Rohtak and another in Meghalaya. He rents it out to Ghazi Ram and Funshuk for growing wheat and rice respectively.</p> <p>iv) Anoop travels from Delhi to Bhopal alongwith his servant Ramu. He purchases a 2nd class sleeper ticket for Ramu for Rs. 640/- and himself travels in 2 Tier AC coach which costed him Rs. 2,500/-.</p> <p>v) Ms. Anubha undergoes a surgery for removal of gallbladder at Lilavati hospital. In the same visit, she also undergoes plastic surgery to get her lips re-shaped. The hospital charges her Rs. 3 lakh for the gallbladder surgery and Rs. 5 lakhs for the plastic surgery.</p> <p>vi) A registered charitable trust has a Community hall which is rented out for organizing marriage functions @ Rs. 8,000/- per day. It also has ten rooms in the same complex which are rented out for Rs. 1,100/- per room per day.</p>																								
Q.3	<p>Determine the amount of Input Tax Credit that can be claimed by Arihant Precision Pvt. Ltd., based on the following information about the inputs/goods purchased during the month of November 2019. Give reasons for each point.</p> <table border="1"> <thead> <tr> <th>S. No.</th><th>Particulars of Inward Supplies</th><th>GST (Rs.)</th></tr> </thead> <tbody> <tr> <td>1</td><td>iPhone purchased to be given as gift to the Director.</td><td>15,000</td></tr> <tr> <td>2</td><td>Steel rods purchased from Z Ltd., received on 12.11.2019 November, 2019.</td><td>50,000</td></tr> <tr> <td>3</td><td>Machine oil received from Mr. P; the invoice was received on 09.12.2019</td><td>20,000</td></tr> <tr> <td>4</td><td>Inputs purchased & used exclusively for supplying exempted Goods.</td><td>35,000</td></tr> <tr> <td>5</td><td>Goods received in lots. Second lot received on 20.11.2019. Third lot to be received in December 2019.</td><td>60,000</td></tr> <tr> <td>6</td><td>Goods received from X Ltd, after making full payment; tax is not yet deposited by X Ltd.</td><td>40,000</td></tr> <tr> <td>7</td><td>Machinery imported from UK in respect of which Bill of Entry has been received dated 27.11.2019.</td><td>1,20,000</td></tr> </tbody> </table>	S. No.	Particulars of Inward Supplies	GST (Rs.)	1	iPhone purchased to be given as gift to the Director.	15,000	2	Steel rods purchased from Z Ltd., received on 12.11.2019 November, 2019.	50,000	3	Machine oil received from Mr. P; the invoice was received on 09.12.2019	20,000	4	Inputs purchased & used exclusively for supplying exempted Goods.	35,000	5	Goods received in lots. Second lot received on 20.11.2019. Third lot to be received in December 2019.	60,000	6	Goods received from X Ltd, after making full payment; tax is not yet deposited by X Ltd.	40,000	7	Machinery imported from UK in respect of which Bill of Entry has been received dated 27.11.2019.	1,20,000
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Q.4	<p>Discuss giving reason, who will be liable to make payment of GST to the Government in the following cases.</p> <p>i) M/s Jagdish Enterprises, a registered supplier sells steel pipes of Rs.1,00,000 to ABC Co.</p> <p>ii) Mr. A, a registered tax payer sells Silk Yarn to XYZ Co., also a registered taxpayer for Rs.50,000.</p> <p>iii) Gagan Enterprises, a registered tax payer provides free consultancy to M/S. ABC Pvt Ltd in which Gagan is one of the directors.</p>																								

	<p>iv) MN Ltd., a firm of advocates (registered taxpayer) provides legal consultancy of Rs 2,00,000 to Anil & Co. which is also a registered taxpayer.</p> <p>v) Mr. X imported goods from Y of Australia for Rs 5,00,000.</p> <p>vi) Mr. S, an insurance agent, provides insurance agent services to Mr. P for a commission of Rs. 3,000.</p>																		
Q.5	<p>Discuss the following cases :</p> <p>a) Registration requirement under GST Laws for X, a supplier in Maharashtra, engaged in supply of onion in Maharashtra (as well as outside Maharashtra). His turnover has exceeded the threshold limit in Nov 2019.</p> <p>b) Registration requirement for Ratan Traders of Delhi engaged in Intra-state supply of ladies garments, who are planning to participate in an exhibition scheduled for next month in Surat, Gujarat.</p> <p>c) Registration requirement of Y of Mizoram engaged in supply of goods in Mizoram with an aggregate turnover of Rs. 15 lakh</p> <p>d) Z is registered under GST. He owns a small stationery shop. Is he required to issue separate tax invoice for all the supplies made by him in a day? Discuss the alternative available to him.</p> <p>e) Penalty payable by Q, a registered supplier who claimed Input Tax Credit of Rs. 7,500 without actual receipt of goods and services.</p> <p>f) Procedure of generating E-way Bill where W, a consignor, is required to move goods worth Rs.53,000 from NOIDA (UP) to Lucknow (UP). W appointed Hari Transporters to move goods. Hari Transporters transported goods from NOIDA to Agra (UP) and handed over the goods to Ajay Transporters at Agra to be further transported to Lucknow. Ajay transporter transported the goods to the final destination Lucknow.</p>																		
Q.6	<p>Following information is provided in respect of payments made by X FOR goods imported by him from Y (unrelated party), price being the sole consideration for sale.</p> <table border="1"> <thead> <tr> <th></th> <th>Description</th> <th>Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Price of the goods imported</td> <td>20,00,000</td> </tr> <tr> <td></td> <td>Payment for design and engineering work</td> <td>1,40,000</td> </tr> <tr> <td></td> <td>Payment for Royalty and license fees</td> <td>2,50,000</td> </tr> <tr> <td></td> <td>Payment for Transportation cost (by sea)</td> <td>4,00,000</td> </tr> <tr> <td></td> <td>Insurance cost (actual)</td> <td>2,00,000</td> </tr> </tbody> </table> <p>a) Ascertain the Transaction Value of goods under Indian Customs Laws from the above information.</p> <p>b) In which cases the Transaction Value so ascertained is not accepted by Customs</p>		Description	Amount(Rs.)		Price of the goods imported	20,00,000		Payment for design and engineering work	1,40,000		Payment for Royalty and license fees	2,50,000		Payment for Transportation cost (by sea)	4,00,000		Insurance cost (actual)	2,00,000
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	<p>authorities?</p> <p>c) Specify the basis of valuation as per rule 4 to rule 9 of Indian Custom Rules, in case the Transaction Value is rejected.</p>
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Roll no.

Unique Paper Code	:	22417604
Name of the Paper	:	International Business
Name of the Course	:	B. Com (Hons.)
Semester	:	VI
Duration	:	2 hours
Maximum Marks	:	75 Marks

Attempt any four questions. All questions carry equal marks.

Q1. A well established Electric Cars company in US set up their first plant in a developing nation involving huge investment. But within 2 years, it had to shut down its store in that country with huge losses because the company failed to understand the consumers and business environment there.

What would have been the possible reasons of failure? What would you suggest as one important measure, the company could have taken to avoid the failure?

Q2. “The Regional Economic Integration can both create as well as divert trade in future to member countries.” Critically analyse this statement with suitable examples.

Q3. As arbitrage inflow continues, the net gain tend to diminish, and then disappear, when the interest parity line is reached. Do you agree? Explain.

Q4. Real interest rate may remain unchanged even when nominal interest rate changes. Analyse.

Q 5. Is there any need to strengthen the SEZ Scheme? Give suitable reasons. Also explain the approval mechanism for SEZ.

Q6. What induces disequilibrium in Balance of Payments in developing countries? Also explain the relevance of export promotion and import substitution as measures to control the deficit in the Balance of Payment.

