

Jagan Institute of Management Studies
End-Term Examination, December 2017 – January 2018
Trimester V – PGDM 2016-18

India Foreign Trade Policies
ET_PG_IFTP_0501

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Write an analytical article on any **ONE** of the following topics:
- a) Present Dynamics of India's Foreign Trade: An Extensive Analysis.
 - b) An Analysis of India's Export Market Diversification.
 - c) Synchronization of India's Trade with World Trade Trends.
 - d) Benefit Analysis of Regional Trade Agreements (RTAs): A Case of India and SAFTA.

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- Q 2** Different Plan Periods depicts different approaches of the policy makers towards foreign trade. Explain.

OR

Trade is possible even if there exist no absolute advantage to any of the trading partners; explain this statement with reference to David Ricardo's Theory of Comparative Cost Advantage.

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- Q 3** Explain and calculate the following indices on the basis of the GDP and trade data for Indonesia for the period 2013-2017 (Table). Also provide interpretation of the results for taking policy decisions.

- i) Trade Dependence Index (TDI).
- ii) Export Propensity.
- iii) Import Penetration.
- iv) Export-Import Coverage Ratio.

Table – GDP and Trade Data: Indonesia

Year	GDP (US\$bn)	Exports (US\$bn)	Imports (US\$bn)
2013	160	56	29
2014	196	57	31
2015	235	61	53
2016	257	64	62
2017	287	86	71

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Q 4 NTBs are impediments to trade growth. Briefly explain five major NTBs with the help of suitable examples.

OR

Economic integration is the unification of economic policies between different states through the partial or full abolition of tariff and non-tariff restrictions on trade taking place among them prior to their integration. However, degree of unification of economic policies differs, with the highest one being the completed economic integration of the states, which would most likely involve political integration as well. Explain.

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Q 5 WTO agreements are often referred to as trade rules and WTO is often described as Rule Based system. These rules are actually Agreements negotiated by the member countries. Briefly discuss major trade agreements of WTO.

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Q 6 Balance of payment always balances itself. Explain the statement in the light of the attached sheet depicting India's Overall Balance of Payments for April-June (2017).

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Q 7 On the basis of the Trade Statistics and Outlook (projections) released by the WTO, how you can say that global trade recovery is expected to rebound in 2017 and 2018. Also highlight the trade projections for the different regions viz. Developed, Developing, North America, South and Central America, Europe and Asia.

Merchandise Trade Volume (% Annual Change)

	2013	2014	2015	2016	2017P	2018P
Volume of world merchandise trade b	2.4	2.7	2.6	1.3	2.4 (1.8-3.6)	2.1-4.0
Exports						
Developed economies	1.7	2.4	2.7	1.4	2.8 (1.9-4.0)	2.1-4.2
Developing economies c	4.0	3.0	2.0	1.3	2.2 (1.8-3.4)	2.0-4.0
North America	2.7	4.2	0.7	0.5	3.2 (2.7-4.0)	3.7-4.7
South and Central America	1.7	-2.2	2.5	2.0	1.4 (1.3-1.6)	2.2-2.6
Europe	1.7	2.0	3.6	1.4	2.8 (2.0-4.2)	1.9-4.1
Asia	5.4	4.3	1.1	1.8	2.5 (1.7-3.9)	1.9-4.4
Other regions d	0.5	0.9	4.3	0.3	0.8 (1.1-2.0)	1.0-3.0
Imports						
Developed economies	0.0	3.6	4.7	2.0	3.0 (2.2-4.4)	2.0-4.0
Developing economies c	4.6	1.7	0.5	0.2	2.2 (1.8-3.3)	2.5-4.3
North America	1.3	4.8	6.7	0.4	3.0 (1.8-4.8)	2.5-5.1
South and Central America	4.5	-2.4	-5.8	-8.7	0.1 (-0.6-1.0)	1.0-3.0
Europe	-0.2	3.2	4.3	3.1	2.9 (2.0-4.2)	1.6-3.6
Asia	4.8	3.0	2.9	2.0	3.2 (3.2-4.1)	2.8-4.6
Other regions d	1.8	-0.9	-5.1	-2.4	0.5 (-0.4-1.8)	2.5-3.0

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