**MCQs Session 1**

Q1. Trade between two countries can be useful if cost ratios of goods are:

A. Undetermined

B. Decreasing

C. Equal

D. Different

Answer: D

Q2. The term Euro Currency market refers to

A. The international foreign exchange market

B. The market where the borrowing and lending of currencies take place outside the country of issue

C. The countries which have adopted Euro as their currency

D. The market in which Euro is exchanged for other currencies

Answer: B

Q3. Which of the following theories suggests that firms seek to penetrate new markets over time?

A. Imperfect Market Theory

B. Product cycle theory

C. Theory of Comparative Advantage

D. None of the above

Answer: D

Q4.Dumping refers to:

A. Reducing tariffs

B. Sale of goods abroad at a lower price, below their cost and price in their home market

C. Buying goods at low prices abroad and selling at higher prices locally

D. Expensive goods selling for low prices

Answer: B

Q5. International trade and domestic trade differ because of:

A. Different government policies

B. Immobility of factors

C. Trade restrictions

D. All of the above

Answer: D

Q6. The margin for a currency future should be maintained with the clearing house by

A. The seller

B. The buyer

C. Either the buyer or the seller as per the agreement between them

D. Both the buyer and the seller

Answer: D

Q7.The following statement with respect to currency option is wrong

A. Foreign currency- Rupee option is available in India

B. An American option can be executed on any day during its currency

C. Put option gives the buyer the right to sell the foreign currency

D. Call option will be used by exporters

Answer: D

Q8. Govt. policy about exports and imports is called:

A. Commercial policy

B. Fiscal policy

C. Monetary policy

D. Finance policy

Answer: A

Q9.Which of the following is international trade?

A. Trade between countries

B. Trade between regions

C. Trade between provinces

D. Both (b) and (c)

Answer: A

Q10. Market in which currencies buy and sell and their prices settle on is called the

A. International bond market

B. International capital market

C. Foreign exchange market

D. Eurocurrency market

Answer: C

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Q11 SCOMET is used as

a. To smuggle the goods

b. To do round tripping for RSS

c. Dual Used Item under FTP 2023

d. It’s a part of FEMA 1999

Answer: C

Question 1

What is the amalgamation and rapid unification between countries identified as?

A) Globalisation

B) Liberalisation

C) Socialisation

D) Privatisation

Answer: A

Question 2

Globalisation has improved the living structure of which of the following?

A) All the people

B) People living in developing countries

C) People living in developed countries

D) None of the above

Answer: B

Question 3

Which Indian industries have been hit by globalisation?

A) Cement

B) Jute

C) Toy making

D) Information technology (IT)

Answer: C

Question 4

Which of these organisations emphasises on the liberalisation of foreign investment and foreign trade?

A) International Monetary Fund

B) World Health Organisation

C) World Trade Organisation

D) International Labour Organisation

Answer: C

Question 5

Tax on imports is considered as an example of

A) Collateral

B) Trade barriers

C) Foreign trade

D) Terms of trade

Answer: B

Question 6

Which of the following is the main reason behind the investments of MNCs?

A) To benefit foreign countries

B) To provide financial support to the country’s government

C) For the welfare of underprivileged people

D) To increase the assets and earn profits

Answer: D

Question 7

Which of these institutes supports investments and foreign trade in India?

A) International Monetary Fund (IMF)

B) World Trade Organisation (WTO)

C) World Bank

D) International Labour Organisation (ILO)

Answer: B