

MANAGEMENT

PAPER - III

Note : This paper contains seventy five (75) objective type questions of two (2) marks each. All questions are compulsory.

1. Match the items of the List - I with those of the List - II and indicate the correct code :

List - I

- (a) Positive income elasticity
- (b) Negative income elasticity
- (c) Positive cross elasticity
- (d) Negative cross elasticity

List - II

- (i) Substitute goods
- (ii) Complementary goods
- (iii) Inferior goods
- (iv) Superior goods

Code :

(a) (b) (c) (d)

(1) (ii) (i) (iv) (iii)

(2) (i) (ii) (iii) (iv)

(3) (iv) (iii) (i) (ii)

(4) (i) (iv) (ii) (iii)

2. For the following two statements of Assertion (A) and Reasoning (R), indicate the correct code :

Assertion (A) : Ridge Lines in isoquant map set the limits for the positive productivities of the respective inputs used in the production process.

Reasoning (R) : Isoquants will slope positively if the use of an input is increased beyond the limit set by the ridge lines.

Code :

(1) Both (A) and (R) are correct and (R) is correct explanation of (A)

(2) Both (A) and (R) are correct but (R) is not correct explanation of (A)

(3) (A) is correct but (R) is not correct

(4) (A) is not correct but (R) is correct

3. For perfect competition, indicate the correct code for essential conditions from the following :

- (a) Large number of buyers and sellers
- (b) Perfect knowledge of the market
- (c) Homogeneous product for sale
- (d) Absence of transportation cost
- (e) Freedom of entry and exit of buyers and sellers from the market
- (f) Rational Behaviour of buyers and sellers

Code :

- (1) (a), (b), (c), (d) and (f)
- (2) (b), (c), (d), (e) and (f)
- (3) (a), (b), (c), (d), (e) and (f)
- (4) (a), (c), (d), (e) and (f)

4. Match the items of the List - I with those of List - II and suggest the correct code from the following :

List - I

List - II

- | | |
|------------------------|--|
| (a) GDP | (i) National income |
| (b) GDP at factor cost | (ii) NDP plus Net flow of income from abroad |
| (c) NNP at factor cost | (iii) Money value of final goods and services produced |
| (d) NNP | (iv) Total gross value added by all enterprises in the economy |

Code :

(a) (b) (c) (d)

- (1) (i) (iii) (ii) (iv)
- (2) (iii) (iv) (i) (ii)
- (3) (iv) (iii) (ii) (i)
- (4) (ii) (i) (iv) (iii)

5. When an individual is motivated to approach two or more positive but mutually exclusive goals, he is facing which one type of the following conflicts ?

- | | |
|------------------------------------|-----------------------------------|
| (1) Approach - Approach Conflict | (2) Approach - Avoidance Conflict |
| (3) Avoidance - Avoidance Conflict | (4) Person -Role Conflict |

6. 'Contact Hypothesis' is based on the belief that :
- (1) the more we interact with someone, the less prejudiced or perceptually biased we will be against that person
 - (2) familiarity breeds contempt
 - (3) contact among group members leads to conflict
 - (4) mutual discussion leads to reframing of problems
7. According to Vroom's theory of motivation, which one of the following is correct ?
- (1) $\text{Valence} = \text{Force} \times \text{Expectancy}$
 - (2) $\text{Expectancy} = \text{Force} \times \text{Valence}$
 - (3) $\text{Valence} = \text{Motivation} \times \text{Force}$
 - (4) $\text{Force} = \text{Valence} \times \text{Expectancy}$
8. The process by which sensory information is actively organised and interpreted by brain, is called :
- (1) Attitude
 - (2) Learning
 - (3) Perception
 - (4) Training
9. An interview, in which the applicant is interviewed sequentially by several persons and each rates the applicant on a standard form, is called :
- (1) Unstructured Sequential Interview
 - (2) Structured Sequential Interview
 - (3) Job - related Interview
 - (4) Mass Interview
10. Which of the following are tripartite bodies ?
- (a) Indian Labour Conference
 - (b) Standing Labour Committee
 - (c) State Level Advisory Boards
- Code :
- (1) Both (a) and (b)
 - (2) Both (a) and (c)
 - (3) Both (b) and (c)
 - (4) (a), (b) and (c)

11. Which one of the following theories of labour welfare believes that workers are becoming more and more aware of their rights and welfare measures can appease them ?
- (1) Philanthropic theory
 - (2) Placating theory
 - (3) Public Relations theory
 - (4) Functional theory
12. Which one of the following is **not** a characteristic of the 'Hot - Stove Rule' of disciplinary action ?
- (1) Discipline is directed against the act and not against anybody else.
 - (2) Rules and regulations fore-warn regarding consequences of indiscipline.
 - (3) Consistency of disciplinary action is certain.
 - (4) Discipline is personal.
13. Which combination of the following statements about the net present value method of the investment project appraisal is correct ?
- (a) It considers all the cash flows from the project
 - (b) It gives more weightage to distant flows than near-term flows
 - (c) It considers the time value of money
- Code :
- (1) (a) and (b) only
 - (2) (b) and (c) only
 - (3) (a) and (c) only
 - (4) (a), (b) and (c) all
14. Capital structure of a business unit consists of :
- (1) Equity and preference share capital
 - (2) Equity, long-term debt and short-term loan
 - (3) Equity capital and debt capital
 - (4) Equity, preference and debt capital

15. In the formula $K_D = \frac{I}{B_0}$ used for computation of the cost of debt capital, B_0 denotes as which B_0 one of the following ?
- (1) Net cash inflow at the time of issue
 - (2) Market price of debenture
 - (3) Face value of debenture
 - (4) Probable net cash inflow to debenture holder on sale of the debenture in near future
16. In computation of the weighted average cost of capital, weights are assigned as per :
- (1) Proportion of fixed and current assets
 - (2) Proportion of different sources of finance
 - (3) Proportion of long-term and short term debts
 - (4) Proportion of the various components of equity in the business
17. “The customer wants an inexpensive car”. This is an example of which one of the following type of needs ?
- (1) Stated needs
 - (2) Real needs
 - (3) Unstated needs
 - (4) Secret needs
18. Assertion (A) : Marketers are increasingly asked to justify their investments in financial and profitability terms and rarely in terms of building the brand and customer base.

Reasoning (R) : Organizations recognize that little of their market value comes from intangible assets.

Code :

- (1) Both (A) and (R) are correct.
- (2) Both (A) and (R) are incorrect.
- (3) (A) is correct and (R) is the right explanation of (A).
- (4) (A) is correct but (R) is not the right explanation of (A).

19. Which one of the following is a **false** statement ?

- (1) The most attractive market segment is one in which entry barriers are low and exit barriers are high.
- (2) A market segment is unattractive when there are actual or potential substitutes for the product.
- (3) A market segment is unattractive if buyers possess strong or growing bargaining power.
- (4) A segment is unattractive if the company's suppliers are concentrated or organized.

20. Match the items of List - I with that of List - II and suggest the correct code :

List - I	List – II
(Pricing Strategies)	(Explanations)
(a) Customary pricing	(i) Ending a price with 99 paise
(b) Skimming	(ii) pricing a product based on perceived expectations of customers
(c) Penetration pricing	(iii) Setting a high price which gradually reduces as competitors enter the market
(d) Psychological pricing	(iv) Offering at a low price for a new product during its initial offering

Code :

- (a) (b) (c) (d)
- (1) (i) (iii) (iv) (ii)
- (2) (ii) (iii) (iv) (i)
- (3) (iv) (ii) (iii) (i)
- (4) (i) (ii) (iii) (iv)

21. Which one of the following OR Models is appropriate for project planning and scheduling operations ?

- (1) Games Models
- (2) Inventory Models
- (3) Network Models
- (4) Queuing Models

22. While obtaining the optimal solution to the linear programming problem, by using graphical method, which one of the following is contradictory to the essential requirements ?

- (1) Collection of all feasible solutions entails the use of a convex set
- (2) There are infinite number of basic feasible solutions within the solution space
- (3) In the convex set of the feasible solutions, atleast one of the extreme points gives an optimal solution
- (4) The value of the objective function will be the same for all convex combinations of the extreme points if such points are more than one in the feasible solution space

23. For calculating Economic Order Quantity (EOQ), you are given the following formula :

$$EOQ = \sqrt{\frac{2DC_o}{C_h}}$$

When Let D=Demand

R=Rate of replenishment

L=Lead time

C_p=Unit purchase price

C_h=Unit holding cost

C_o=Unit ordering cost

C_s=Shortage cost

Q=Quantity to be ordered

This inventory model is suitable for which one of the following situations ?

- (1) Economic Order Quantity Model with uniform demand
 - (2) Economic Order Quantity Model with variable demand
 - (3) Economic Order Quantity Model when shortages are permitted
 - (4) Economic Order Quantity Model with gradual replenishment
24. While using Markov Analysis, which one of the following assumptions is incompatible ?
- (1) The system has an infinite set of possible outcomes
 - (2) Transition probabilities are constant over a given length of time
 - (3) The condition of the system in any given period depends on preceding period condition
 - (4) Changes in the system may occur only once during each period
25. Statement - I : A hypothesis test for comparing the variances of two independent populations with the help of variances of two small samples is known as chi-square test.
- Statement - II : To test the hypothesis that the population standard deviation has a specific value on the basis of the values of sample standard deviation of small sized sample, F-test is relevant.
- Code :
- (1) Both the statements are correct
 - (2) Both the statements are incorrect
 - (3) Statement - I is correct while Statement - II is incorrect
 - (4) Statement - I is incorrect while Statement - II is correct

26. Statement - I : A sampling distribution of mean, prepared on the basis of small sized samples from a population which is not normally distributed, is not normally distributed.

Statement - II : To test the significance of the difference between means of two small sized samples when the parameter values of the standard deviations are given, Z-test can be applied.

Code :

- (1) Both the statements are correct
 - (2) Both the statements are incorrect
 - (3) Statement - I is correct while Statement - II is incorrect
 - (4) Statement - I is incorrect while Statement - II is correct
27. Which one of the following is restricted non-probability based sampling method ?
- (1) Stratified sampling
 - (2) Quota sampling
 - (3) Cluster sampling
 - (4) Systematic sampling
28. Statement - I : When a null hypothesis is true but as per the hypothesis- testing, it is rejected; it is known as Type II error in hypothesis-testing.

Statement - II : For testing the significance of the differences among the performance of more than two sample groups when the data are non-parametric, Kruskal-Wallis (H) test is appropriate.

Code :

- (1) Both the statements are correct
- (2) Both the statements are incorrect
- (3) Statement - I is correct while Statement - II is incorrect
- (4) Statement - I is incorrect while Statement - II is correct

29. Match the items of List - I with those of List - II and choose the correct code :

List - I

- (a) Greenfield Investments
- (b) Turnkey Projects
- (c) Piggy Backing
- (d) Franchising

List - II

- (i) Unique product or services sold in domestic market targeting international markets through its customers
- (ii) Typical North-American-process for rapid market expansion
- (iii) It is the most costly investments and holds the highest risk
- (iv) A project where the facility is built from the ground and turned over to the client ready to go

Code :

- (a) (b) (c) (d)
- (1) (iii) (iv) (i) (ii)
- (2) (iii) (iv) (ii) (i)
- (3) (iii) (ii) (i) (iv)
- (4) (iv) (iii) (ii) (i)

30. Which of the following statements is **not** correct about strategic management ?

- (1) It involves formulation and implementations of minor goals
- (2) It involves initiatives taken by the top management
- (3) It is based on consideration of resources
- (4) It includes assessment of internal and external environment of organization

31. Which one among the following is **not** a correct statement ?

- (1) ANZ Grindlays merged with American Express Bank to emerge competitively
- (2) Apple computers uses differentiation competitive strategy to emphasize innovative product
- (3) Operating strategies are implemented at departmental level
- (4) Corporate strategy describes a company's overall direction towards growth by managing business and product line

32. Statement - I : Trade Policy Review Body is a forum for the entire membership to review the trade policies of all WTO members.

Statement - II : The WTO administers the "Trade Review Mechanism".

Code :

- (1) Statement I is correct but II is incorrect
- (2) Statement II is correct but I is incorrect
- (3) Both the statements I and II are correct
- (4) Both the statements I and II are incorrect

33. In order to make special allocation of fiscal resources to MSMEs, which one of the following proposals was introduced in the budget of 2015-16 ?
- (1) Micro Units Development Refinance Agency (MUDRA) Bank.
 - (2) MSME Bank
 - (3) Swachchha Bharat Abhiyan Vikas Kosh
 - (4) Self-Employment and Talent Utilisation (SETU) Bank
34. The support for Entrepreneurial and Managerial Development of Small and Medium Enterprises (incubator) scheme of the National Manufacturing Competitiveness Programme (NMCP) aims to which one of the following ?
- (1) To provide Startup financial support to new ventures.
 - (2) To provide financial support to existing MSMEs.
 - (3) To provide supporting and nourishing business based new ideas in knowledge institutions.
 - (4) To build awareness on intellectual property rights for the MSMEs
35. The relationship between subsidy and incentive can appropriately be brought out by which one of the following propositions ?
- (1) Incentives are concessions, bounties offered to borrow money to set up a production activity, while subsidy is a non cash concession given to translate idea into productive action
 - (2) Incentives and subsidies are cash disbursement only to the intrapreneur
 - (3) Incentives and subsidies are non-cash motivating factor to promote a new enterprise
 - (4) Incentives are financial as well as non financial stimuli encouraging to undertake productive activities ; while subsidy pertains to a single lumpsum payment given by the government to an entrepreneur for compensating him for the excess cost over administered price of a product or service
36. Industrial parks fall under which one of the following categories ?
- (1) General industrial clusters
 - (2) Specialised industrial clusters
 - (3) Conglomeration of heterogenous group of enterprises under one umbrella
 - (4) Integrated comprehensive business centres

37. Which one among the following countries does **not** favour gender equality ?
 (1) Sweden (2) USA (3) Denmark (4) Saudi Arabia
38. Assertion (A) : Bad corporate governance can cast doubt on a company's reliability.
 Reasoning (R) : Companies that do not cooperate sufficiently with auditors can publish non-compliant financial results.
 Code :
 (1) Both (A) and (R) are correct and (R) is the right explanation of (A).
 (2) Both (A) and (R) are correct but (R) is not the right explanation of (A).
 (3) (A) is correct but (R) is incorrect.
 (4) (R) is correct but (A) is incorrect.
39. Which one among the following is **not** a part of Corporate Social Initiatives ?
 (1) Socially-responsible business practices
 (2) Corporate social marketing
 (3) Cause-related marketing
 (4) Corporate ambience building
40. Which among the following are also called Corporate Social Responsibility ?
 (a) Corporate Conscience
 (b) Corporate Citizenship
 (c) Responsible Business
 Code :
 (1) (a) and (b)
 (2) (a), (b) and (c)
 (3) (a) and (c)
 (4) (b) and (c)
41. Which one of the following consists of both vertical sequence of jobs and a series of horizontal opportunities ?
 (1) Network Career Path (2) Cafeteria Career Path
 (3) Transitory Career Path (4) Spiral Career Path

42. Arrange the following steps of disciplinary actions in correct sequence.

- | | |
|--------------------------------|----------------------------------|
| (a) Complaint | (b) Issue of charge sheet |
| (c) Preliminary fact finding | (d) Consideration of explanation |
| (e) Suspension pending enquiry | (f) Holding of enquiry |
| (g) Order of punishment | (h) Appeal |

Code :

- (1) (a), (c), (b), (d), (e), (f), (g), (h)
- (2) (a), (b), (c), (d), (e), (f), (g), (h)
- (3) (a), (e), (b), (c), (d), (f), (g), (h)
- (4) (a), (d), (b), (c), (e), (f), (g), (h)

43. Who among the following is known for application of Psychology to industry and management ?

- | | |
|-------------------------|----------------------|
| (1) Thomas Peters | (2) Chester Barnard |
| (3) Mary Parker Follett | (4) Hugo Munsterberg |

44. The Right to strike is a _____.

- (1) Fundamental right
- (2) Legal right
- (3) Right under directive principles of state policy
- (4) Social right of employee

45. Which one of the following is not an unfair labour practice ?

- (1) Use of force to prevent a worker from attending work
- (2) Staging demonstration at residence of managerial staff members
- (3) Damaging property of employer
- (4) Going on unauthorised leave

46. Who was the founder of Madras Labour Union ?

- | | |
|----------------|--------------------|
| (1) N.M. Joshi | (2) N.M . Lokhande |
| (3) B.P. Wadia | (4) V.V. Giri |

47. Who said that wages always tend to be equivalent to subsistence level ?
 (1) Keynes (2) Ricardo (3) Walker (4) Pigou
48. 'Kanban' refers to which one of the following ?
 (1) Employing sufficient manpower
 (2) An ideal state in which production quantities are equal to delivery quantities
 (3) Promotion of right people
 (4) Both (1) and (3)
49. Which one of the following represents a system where by an employer regularly deducts a portion of employee's wage to pay subscription fee of trade union ?
 (1) Checkout (2) Checkin (3) Settlement (4) Checkoff
50. According to Five-Stage Model of the Consumer Buying Process, which one of the following sequence is followed ?
 (1) Purchase Decision→ Problem Recognition→ Information Search→ Post Purchase Behaviour→ Evaluation of Alternatives
 (2) Evaluation of Alternatives→ Purchase Decision→ Information Search→ Post Purchase Behaviour→ Problem Recognition
 (3) Information Search→ Evaluation of Alternatives→ Purchase Decision→ Problem Recognition→ Post Purchase Behaviour
 (4) Problem Recognition→ Information Search→ Evaluation of Alternatives→ Purchase Decision→ Post Purchase Behaviour

51. Match the items of List - I with the items of List - II and select the correct code of matching :

List - I	List - II
(E - Commerce Companies)	(Product Categories)
(a) Voylla Retail	(i) Kids and baby products
(b) Limeroad	(ii) Imitation Jewellery
(c) First cry.com	(iii) Furniture and home decor
(d) Pepperfry	(iv) Fashion and life style

Code :

- (a) (b) (c) (d)
- (1) (i) (iii) (ii) (iv)
 (2) (iii) (iv) (i) (ii)
 (3) (ii) (iv) (i) (iii)
 (4) (ii) (i) (iv) (iii)

52. Which one of the following refers to the use of online and offline promotion techniques to increase the audience of a site ?

- (1) Search-engine optimization
- (2) Traffic building campaign
- (3) Search-engine marketing
- (4) Quality score

53. Match the items of List - I with the items of List - II and select the correct code of matching :

List - I	List - II
(Type of store Retailers)	(Formats)
(a) Speciality store	(i) Broad selection of high-mark up, fast moving, brand-name goods sold by a list
(b) Drug store	(ii) Narrow product line
(c) Super store	(iii) Prescription and pharmacies
(d) Catalogue showroom	(iv) Huge selling space

Code :

- (a) (b) (c) (d)
- (1) (iv) (iii) (i) (ii)
 - (2) (ii) (i) (iv) (iii)
 - (3) (iii) (ii) (iv) (i)
 - (4) (ii) (iii) (iv) (i)

54. On which one of the following, the corporate advertising concentrates ?

- (1) Brand Personality
- (2) Product Personality
- (3) Organizational Personality
- (4) Recruitment

55. Which one of the following represents Polycentric orientation of the management ?

- (1) Each host country is unique
- (2) Home country is superior
- (3) Sees similarities and differences in markets and countries
- (4) Sees similarities and differences in a world region

56. Which one of the following refers to “attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand” ?

- | | |
|--------------------------|--------------------------|
| (1) Points-of-attributes | (2) Points-of-difference |
| (3) Points-of-parity | (4) Points-of-purchase |

57. Match the items of List - I with the items of List - II and select the correct code of matching :

List - I	List - II
(Advertising Agencies)	(Clients)
(a) Ogilvy and Mather Ltd	(i) HDFC
(b) JWT Hindustan Thompson Associates	(ii) Coca-Cola
(c) Mudra Communications	(iii) Vodafone
(d) McCann- Erikson India Ltd	(iv) Nestle

Code :

- (a) (b) (c) (d)
- (1) (ii) (i) (iii) (iv)
- (2) (iii) (i) (ii) (iv)
- (3) (iv) (iii) (i) (ii)
- (4) (iii) (iv) (i) (ii)

58. For the following two statements indicate the correct code :

Statement - I : Advertising is any paid form of personal presentation and promotion of ideas, goods, or services by an identified sponsor.

Statement - II : Sales promotion consists of most long-term incentive tools, designed to stimulate greater purchase of particular products or services by consumers or the trade.

Code :

- (1) Both the statements are correct
- (2) Both the statements are incorrect
- (3) Statement I is correct but statement II is incorrect
- (4) Statement II is correct but Statement I is incorrect

59. Vertical merger is the merger of two firms which are involved in which one of the following forms ?
- (1) Similar line of business
 - (2) Different stages of distribution and production in same business activity
 - (3) Different and unrelated business activities
 - (4) Partly similar line of business and partly in different unrelated business activities
60. The cost arising out of the failure of the customers to meet their obligations when payment on credit sales become due after the expiry of the credit period, may be attributed to which one of the following ?
- (1) Collection Cost
 - (2) Default Cost
 - (3) Delinquency Cost
 - (4) Attrition Costs
61. In derivative contract, settlement by offset, denotes which one of the following ?
- (1) Settlement of a maturing futures contract by cash payment in order to offset the mutual obligation on the contract
 - (2) Closing out a futures contract before maturity with an offsetting trade
 - (3) Terminating a futures contract by executing a new contract by way of payment of cash in a mutually agreed proportion
 - (4) A fresh contract is entered into by discarding the earlier contract outside the exchange
62. Purchasing power parity theory signifies which one of the following ?
- (1) Ability to exchange one currency for another at a given conversion rate and in terms of the usability of a currency for foreign transactions
 - (2) Which states that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries
 - (3) When one party of an economic transaction has equal degree of information in currency market about it and shared equally to arrive at uniform foreign exchange selection decision
 - (4) No one party can significantly influence foreign exchange rate in the market and all will be guided by asymmetric information
63. When a direct quote of the home currency or any other currency is not available in the forex market, it is computed with the help of exchange quotes of other pairs of currencies, is referred to by which one of the following ?
- (1) Cross rate
 - (2) Arbitrage rate
 - (3) Transaction rate
 - (4) Translation rate

64. In a derivative transaction, the term margin denotes to which one of the following ?
- (1) Cash or collateral provided by a customer to a broker to protect the broker from loss on a contract
 - (2) Cash or collateral provided by a broker to a customer to protect the customer from loss on contract
 - (3) A broker's request for more collateral to bring a customer's margin requirement to a premium margin level
 - (4) A customer's request for more collateral to bring a broker's margin requirement to a minimum standard level
65. In the area of corporate risk management, systematic risk fulfils which one of the following conditions ?
- (1) Systematic risk is unavoidable; this is the contribution of an individual asset to the risk of market portfolio.
 - (2) Systematic risk is avoidable by an investor, and it can be eliminated by diversification.
 - (3) The level of systematic risk in an asset cannot be measured by the beta coefficient.
 - (4) The expected return-beta relationship is referred to as Systematic Market Line (SML).
66. The difference between a forward trade and a derivative may be attributed to which one of the following ?
- (1) The position of owning a good that one plans to sell in the future, the position of expecting to purchase the good in the future
 - (2) The parties agree to trade at a specified time in the future, at a price set now; a derivative involves only payments of money, with no delivery of any commodity or assets
 - (3) The parties agree to trade at a future time, at a price to be decided in future ; a derivative involves payments at a future specified time along with physical delivery of any commodity or asset
 - (4) The parties agree to trade and the amounts to be paid or received will not depend on the value at that time
67. Multilateral Investment Guarantee Agency (MIGA), an affiliate of World Bank, aims to address which one of the following ?
- (1) To promote comparative advantage among the trading nations to foster international trade
 - (2) To promote a platform for dispute settlement mechanism in world trade guarantee
 - (3) To encourage foreign direct investment in developing countries by protecting investors from non-commercial risk
 - (4) To promote international trade in goods and intelligence services

68. Under foreign exchange risk measurement, economic risk emerges out of which of the following ?

- (a) Riskiness of company's foreign exchange positions resulting from its business activities.
- (b) The holding period or length of time over which the foreign exchange position is planned to be held.
- (c) A change in the present value of the future after tax cash flows due to changes in exchange rates.
- (d) The unit of currency to be used for the denomination of the value of currency.

Code :

- (1) (a) only (2) Both (a) and (b) (3) (c) only (4) (d) only

69. Regional trading block agreement among USA, Canada and Mexico is formed and named by which one of the following ?

- (1) North American Free Trade Region
- (2) North American Free Trade Agreement
- (3) North and Central American Free Trade Agreement
- (4) North American Free and Tariff Trade Agreement

70. If a bank in India, SBI, has an account with citibank, Newyork, and another Indian Bank, Allahabad Bank, wants to refer to that account while corresponding with citibank, Newyork, the Allahabad Bank would refer to which one of the following accounts ?

- (1) Loro account (2) Mirror account
- (3) Vostro account (4) Mix of Nostro and Vostro account

71. Treaties of Rome (1957) was responsible for creation of which one of the following ?

- (1) European Economic Community (EEC)
- (2) General Agreement on Tariffs and Trade (GATT)
- (3) WTO
- (4) General Agreement on Trade in Services (GATS)

72. Agreement on Trade Related Investment Measures (TRIMS) under WTO regime aims to address which one of the following measures ?

- (1) Protection of investment in creation of Intellectual Property Rights (IPRs)
- (2) No member shall apply any measures in violation of the national treatment principles of GATT and discriminate against foreigners or foreign products
- (3) It does not prohibit investment measures that place a restriction on quantities and measures requiring a certain percentage of local procurement
- (4) It encourages measures which limit imports or set targets for exports and trade balancing requirements

73. In international marketing, export documentation framework engulfs which one of the following ?
- (1) Export census documents compiled by the department of commerce
 - (2) Shipper's Export Declarations (SEDs)
 - (3) Foreign commercial service including websites of individual countries
 - (4) All of the above
74. In dispute resolution mechanism of the WTO regime, the collapse of the Doha Round talks at Cancun in September 2003 has been attributed to which one of the following ?
- (1) Subsidies in agriculture and agricultural domestic support policies of developed nations
 - (2) Measures on protecting intellectual property rights of innovators
 - (3) Agreement on Textiles and Clothing (ATC) under Multi-Fibre Arrangement
 - (4) Trade in the shape of individuals travelling to foreign countries to supply services
75. In international financial environment for settlement of debts there is a practice known as netting practice. The netting practice pertains to which one of the following ?
- (1) A practice by which subsidiaries of affiliates within the TNC network settle inter-subsidiary debts for the net amount owed during the post-transaction period.
 - (2) A practice involving the sale of export accounts receivable to a third party within the TNC network.
 - (3) A practice of purchasing an account receivable where the credit term exceeds the permissible limit within the TNC network.
 - (4) Where the difference between international transaction of gross capital account receivables and payables are settled against current account receivables and payables.

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