

Sample Multiple Choice Questions (MCQs)

Class: TYBCOM

Subject: Business Economics

Semester: VI

- 1) Heckscher-Ohlin theory of international trade is also known as _____.
1. Classical theory of international trade
 2. Opportunity cost theory of international trade
 3. Modern theory of international trade
 4. Inter-regional theory of international trade

Correct Option: 3

Marks: 2

- 2) If price of export is Rs. 180 and price of import is Rs. 120 then Net Barter Terms of Trade will be _____.
1. 150
 2. 100
 3. 50
 4. 200

Correct Option: 1

Marks: 2

- 3) Current account comprises of _____.
1. Short term borrowing and lending
 2. Exports and imports of goods and services
 3. Medium term borrowing and lending
 4. Foreign investment and investment abroad

Correct Option: 2

Marks: 2

- 4) Balance of payments of a country does not include _____.
1. Balance of trade
 2. Capital receipts and payments
 3. Savings
 4. Statistical discrepancy

Correct Option: 3

Marks: 2

- 5) GATS deals with trade in _____.
1. Services
 2. Copy rights
 3. Trademarks
 4. Visible items

Correct Option: 1

Marks: 2

- 6) Which of the following is not a dealer in foreign exchange market?
1. Banks
 2. Investment firms
 3. Foreign exchange brokers
 4. Money lenders

Correct Option: 4

Marks: 2

7) The _____ theory was introduced by Gustav Cassel.

1. Rent
2. Innovation
3. Purchasing Power Parity
4. Trade cycle

Correct Option: 3

Marks: 2

8) Which of the following is not a function of foreign exchange market?

1. Transfer purchasing power
2. Provision of credit instrument
3. Coverage of risk
4. Accepting deposits

Correct Option: 4

Marks: 2

9) A currency that is universally accepted is known as the _____.

1. Appreciated currency
2. Depreciated currency
3. Vehicle currency
4. Nominal currency

Correct Option: 3

Marks: 2

10) Flexible exchange rate system creates _____.

1. Confidence
2. Uncertainty
3. Full employment
4. Unemployment

Correct Option: 2

Marks: 2