

**THIRD SEMESTER (CUCBCSS-UG) DEGREE EXAMINATION  
NOVEMBER 2021**

Economics with Foreign Trade  
EFT 3B 04—EXPORT MARKETING  
(2014—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.*

*Each question carries ½ mark.*

1. Pegged exchange rate consists of :
  - (a) Rigid peg with a horizontal band.
  - (b) Crawling peg.
  - (c) Crawling band.
  - (d) All the above.
2. Identify the term representing the process of modifying an existing product so it is suitable for different customers or markets :
  - (a) Logistics.
  - (b) Marketing analysis.
  - (c) Product adaptation.
  - (d) Marketing Mix.
3. An automatic measure to correct BoP disequilibrium is :
  - (a) Price adjustment.
  - (b) Capital adjustment.
  - (c) Interest rate adjustment.
  - (d) All the above.
4. The exchange rate is determined by \_\_\_\_\_ in a flexible exchange system.
  - (a) The price of gold.
  - (b) The central bank.
  - (c) The demand and supply in the foreign exchange market.
  - (d) Exchange arbitrage.
5. World Trade Organization was formed in :
  - (a) 1991.
  - (b) 1994.
  - (c) 1995.
  - (d) 1999.

**Turn over**

6. Marketing mix includes :
- (a) Process.
  - (b) Physical evidence.
  - (c) Product.
  - (d) All the above.
7. Devaluation *does not* aim to :
- (a) Encourage export.
  - (b) Encourage import.
  - (c) Discourage import.
  - (d) Correct balance of payments.
8. Examples of indirect exporting include :
- (i) Piggy backing.
  - (ii) Export management houses.
  - (iii) Trading companies.
- (a) (i) and (ii).
  - (b) (i) and (iii).
  - (c) (ii) and (iii).
  - (d) (i), (ii) and (iii).
9. Balance of payment theory assumes :
- (a) Oligopolistic behaviour among countries.
  - (b) Monopolistic competition between countries.
  - (c) Perfect competition between countries.
  - (d) Group behaviour among countries.
10. \_\_\_\_\_ implies that the export price quote includes the cost of delivery to the importer's premises.
- (a) Ex-works.
  - (b) Delivery duty paid.
  - (c) Free on board.
  - (d) Delivered ex-quay.
11. The purpose of \_\_\_\_\_ is to eliminate existing competitors from international markets :
- (a) Extinction Pricing.
  - (b) Preemptive pricing.
  - (c) Penetration Pricing.
  - (d) All the above.
12. The theory of exchange rate developed by Gustav Cassel is :
- (a) Purchasing power parity theory.
  - (b) Mint parity theory.
  - (c) Balance of payment theory.
  - (d) Modern theory of exchange rate.

(12 × ½ = 6 marks)

**Part B**

*Answer any ten questions.  
Each question carries 2 marks.*

13. Define e-commerce.
14. Distinguish between a customs union and free trade area.
15. What are the objectives of export pricing ?
16. Define product adaptation.
17. What is meant by logistics ?
18. Prepare short note on swap rate.
19. Define devaluation.
20. What is B2C ?
21. Explain real exchange rate.
22. Define foreign exchange.
23. What is meant by international finance ?
24. Briefly explain preemptive pricing.

(10 × 2 = 20 marks)

**Part C**

*Answer any six questions.  
Each carries 5 marks.*

25. Discuss the advantages and disadvantages of fixed exchange rate system.
26. What is meant by marketing strategy ?
27. Discuss the strategy of product adaptation.
28. *A market analysis consists of four parts.* Explain.
29. Explain the features of international economics.
30. Explain the transfer function of foreign exchange market. Give examples.
31. Distinguish between spot rate and forward rate.
32. What are the methods of affecting international payments ?

(6 × 5 = 30 marks)

**Turn over**

**Part D**

*Answer any **two** questions.*

*Each question carries 12 marks.*

33. Examine the meaning and components of four P's in international marketing.
34. Discuss the functions of foreign exchange. What are the different kinds of foreign exchange markets.
35. Explain the meaning and structure of Balance of Payments.
36. What are trade blocs? Discuss the major advantages and disadvantages of trade blocs.

(2 × 12 = 24 marks)

CHMK LIBRARY UNIVERSITY OF CALICUT