

16/12/19 (M)

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Union-Mercosur trade agreement, the Regional Comprehensive Economic Partnership etc. Explain the pros and cons of such trade arrangements. Also, explain the various levels of regional integration. (8)

(b) US want India to eliminate trade barriers for American companies and remove restrictions with regard to data localisation to cut the cost of doing business. Major obstacles being faced by the US companies include price controls on medical devices and restrictive tariff and inspections on electronics and telecommunications products. Explain the nature of barriers imposed by India? Elaborate. (7)

7. Write short notes on :

(a) Gains from trade

(b) Export Promotion Zones

(c) 4 Asian Tigers

(5×3=15)

(600)

[This question paper contains 6 printed pages.]

Your Roll No.....

Sr. No. of Question Paper : 4270

Unique Paper Code : 61017913

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Name of the Paper : International Trade : Policies & Strategies

Name of the Course : Bachelor of Management Studies (BMS), 2019 (CBCS)

Semester : V

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Question No. 1 is compulsory.
3. Attempt any **Four** questions from Q. No. 2 to Q. No. 7.
4. Each Question carries **15** marks.

1. Case Study:

India won a major trade dispute on 27th June 2019, against United States (US) at the WTO. A dispute

P.T.O.

settlement panel announced that subsidies and mandatory local content requirements (LCR) which were levied by eight American states have breached global trade rules. This panel was set up in 2018 to make sure if US has levied subsidies which are prohibited and if it has violated national treatment principle. India claimed that the United States have violated the WTO principles and agreements in various energy programmes.

In a report, the three-member panel held that US states have violated global trade rules. The US gave subsidies and levied local content requirement (LCR) in 11 renewable energy programmes. US was asked by the panel to ensure that states are following trade rules which are being formulated and agreed by the parties.

Several provisions of TRIMs agreement were violated by US states. Eight US states instituted local content requirement and subsidies. Subsidies and countervailing measures were the other two agreements which were violated by US.

India with other developing nations wants "to keep development" at core of the global trading system and all these nations must make sure that the fundamental rules of the WTO are preserved. India believes in the dispute settlement mechanism of WTO

are part of a broader push towards protectionism and promotion of 'Make in India' policy, which is expected to have important implications for Indian Industry and the economy. Discuss the reasons for government of India's protectionism policy and discuss its implications towards India's economy. (8)

(b) With India joining WTO as founding member, it is under the obligation to strike down quantitative restrictions and 'open up' the economy to world trade and globalisation. Explain how India's New Trade policy has evolved over the years? (7)

5. "Trade can contribute to economic growth of a country". Explain the statement. How trade impacts growth, inequality, poverty and agriculture of a country? Explain. (15)

6. (a) There are many policy debates about Regional Trade Agreements (RTAs) which shall impact the trade and political relations between countries in the near future. Some are about reversing and renegotiating like BREXIT or NAFTA and others are being concluded or negotiated, including the Comprehensive and Progressive Agreement for a Trans-Pacific Partnership (CPTPP), the European

and considers it as the central pillar of the system.

Panel asked the US to ensure that states follow "national treatment" principle of WTO. With these claims India also challenged the 'renewable energy cost recovery incentive payment programme', 'self-generation incentive programme', 'tax incentive for ethanol production', 'renewable energy credits programme', 'solar renewable energy credits' and the 'renewable incentive programme by Minnesota'.

The ruling can be challenged by US before the Appellate Body.

Case Questions :

- (i) In light of above case explain the trade dispute settlement process of WTO. (5)
 - (ii) Which WTO principle is being violated in above case? Explain the principle. (5)
 - (iii) What is TRIMs agreement? How US is violating this agreement in above case? (5)
2. (a) If we look at the statistics of total number of workers of United states and Mexico, United states have more than three times of workers in comparison to Mexico, but still United states will

be considered as a more capital intensive economy relative to Mexico because the U.S. capital stock is more than three times higher than the capital stock of Mexico. Abundance is always defined in relative terms and therefore, no country can be considered abundant in everything. A country that is abundant in a factor exports the good whose production is intensive in that factor.

In the light of the above case, elucidate the relevant trade theory. Does the real pattern of goods traded always fit with the directions provided by the theory? Critically examine. (8)

- (b) What are the salient features of India's Balance Payments? Enumerate various items included in the Balance of Payments. (7)
3. "The new industrial policy introduction proved to be the turning point in the Indian industrial history". What are the objectives and features of India's new Industrial Policy? Do you think that the new industrial policy has a favourable impact on the Indian Economy? Explain. (15)
4. (a) The current government has hiked tariffs on capital goods, consumption goods, industrial supplies, parts and accessories of capital goods. These tariff hikes