



# Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)  
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC  
Coimbatore - 641 043, Tamil Nadu, India

## Continuous Internal Assessment Test II – October, 2025 Semester V

Class : III B.A.  
Major : Economics

Time: 2 hours  
Maximum Mark: 60

### 23BECC09–Money, Banking and International Economics

#### Course Outcome:

1. Acquire an understanding on the functions of money and theories of money.
2. Comprehend the role of commercial and Central banks in the financial system.
3. Critically review the significance of monetary policy in a developing economy.
4. Be familiar with the theories and analyse current issues and policies of international trade.
5. Review the role played by international institutions in facilitating trade.

#### Part - A

6 X 1= 6

#### Choose the Correct Answer

1. The theory of comparative advantage was given by (CO3, K4)  
a) Adam Smith b) Ricardo c) Keynes d) Marshall
2. The doctrine of reciprocal demand was given by (CO3, K4)  
a) J.S. Mill b) Ricardo c) Adam Smith d) Marshall
3. Disequilibrium in BOP occurs when (CO4, K4)  
a) Receipts = Payments b) Receipts > Payments  
c) Receipts < Payments d) None of these
4. If imports exceed exports, the Balance of Trade shows (CO4, K4)  
a) Surplus b) Deficit c) Equilibrium d) None of these
5. Which of the following is a function of the World Bank? (CO5, K2)  
a) Financing infrastructure projects b) Issuing currency  
c) Regulating international trade d) Managing gold reserves
6. The IMF was established in the year (CO5, K2)  
a) 1944 b) 1950 c) 1965 d) 1971

#### Part - B

#### Answer the following

3 X 6=18

#### Answers should not exceed 400 words or two pages

7. (a) Explain the importance of terms of trade in international trade. (CO3, K4)  
(OR)
7. (b) Describe the concept of Mercantilism. (CO3, K4)
8. (a) Differentiate between Balance of Trade and Balance of Payment. (CO4, K4)  
(OR)
8. (b) Examine the Export and Import Policies of India. (CO4, K4)
9. (a) Explain the objectives, functions, and achievements of the World Bank. (CO5, K2)  
(OR)
9. (b) Discuss the objectives, functions, and achievements of BRICS. (CO5, K2)

#### Part -C

#### Answer the following

3 x12=36

#### Answer should not exceed 800 words or four pages

10. (a) Explain the concept of Optimum Tariff. (CO3, K4)  
(OR)
10. (b) Describe the types of Tariff and Quotas. (CO3, K4)
11. (a) Discuss the disequilibrium in Balance of Payment. (CO4, K4)  
(OR)
11. (b) Explain the recent changes in the pattern and direction of India's foreign trade. (CO4, K4)
12. (a) Explain the objectives, functions, and achievements of WTO. (CO5, K2)  
(OR)
12. (b) Describe the concepts of Free Trade Agreement (FTA). (CO5, K2)

No. of copies: 49

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