

MBA Sem.-1 (IBFT) Examination

IBFT-108

IFTP & IR

February-2025

Time : 2-30 Hours]

[Max. Marks : 70

Instructions:

- Question no 1 to 5 carry 14 marks each.
- Question no. 1 is compulsory.
- In question 5, each of the question is of 2 marks each.

Question 1

Explain the current policy documents of India along with its structure and components.

Question 2

i. Explain the major trade agreements of India: WTO, RCEP and Bilateral Agreements.

OR

ii. What do you mean by 'Articles on Trade Agreements'

Question 3

i. How have recent trade agreements or negotiations (such as the India-U.S. Trade Policy Forum or the U.S.-India Trade and Technology Council) impacted the trade relationship between the two countries?

OR

ii. Define economic diplomacy and explain its role in shaping national trade policies. How does it differ from traditional diplomacy? Give examples of how economic diplomacy has been used to enhance trade relationships between two countries.

Question 4-Case study based questions

A. Trade Barriers and Protectionism: In 2018, the U.S. initiated a series of tariffs on Chinese imports, citing unfair trade practices, intellectual property theft, and trade imbalances. In response, China imposed retaliatory tariffs on U.S. goods, leading to a prolonged trade war between the two nations. The trade war resulted in increased costs for manufacturers, consumers, and businesses in both countries, and many other countries found themselves caught in the middle, with some benefiting from redirected trade while others experienced disruptions.

India, as an emerging economy, was affected by the shifting trade patterns. India faced challenges such as rising import costs for raw materials, while also trying to capitalize on opportunities presented by U.S.-China tensions. At the same time, other countries in the Asia-Pacific region, such as Vietnam, benefited from the trade diversion as companies sought alternative sourcing options to avoid tariffs.

- i. Explain the role of trade barriers (such as tariffs, quotas, and subsidies) in protectionist policies. How do these measures affect domestic industries and international trade?
- ii. Discuss the rationale behind the U.S. and China's decision to impose tariffs on each other. What are the potential benefits and drawbacks of such protectionist measures for both countries?

P.T.O.

OR

- B. In 2023, India faced a slowdown in its export growth due to global economic uncertainties, including the effects of the Ukraine crisis on oil prices and international shipping costs. The Indian government responded by launching several initiatives to support exporters, such as new trade agreements with countries in the Middle East and Southeast Asia, and increasing investment in logistics infrastructure.

Despite these challenges, India also saw significant growth in its digital export sector, with the IT services industry benefiting from rising global demand for cloud computing and software solutions. Indian small and medium-sized enterprises (SMEs) have also started to explore new opportunities for exporting handmade products, leveraging e-commerce platforms like Amazon and Etsy.

Question: Based on the case study, answer the following:

- i. Identify and explain the key challenges India faces in expanding its foreign trade. How do factors like global economic volatility, competition from other emerging economies, and trade protectionism impact India's trade prospects?
- ii. Discuss how supply chain disruptions, such as those caused by the COVID-19 pandemic and geopolitical tensions, can affect India's export performance and trade relationships.

Question 5-Explain the following in brief:

- i. Explain the 'import substitution' policy.
- ii. Explain the meaning and types of tariffs.
- iii. Analyze the impact of India's FTAs on domestic industries and exports.
- iv. In what ways can India reduce its dependence on Chinese imports without disrupting key industries like electronics and pharmaceuticals?
- v. What do you mean by protectionism?
- vi. How to develop a trade diplomacy strategy?
- vii. Identify the impact of trade policy on SME's.

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