

1. Trade between two countries is termed as

- A International trade
- B Internal trade
- C Local trade
- D External trade

2. Which is NOT an advantage of international trade?

- A Availability of cheap raw material
- B Export of surplus production
- C Dependence on foreign countries
- D Import of defence material

3. Foreign trade creates among countries

- A. Conflict
- B. Cooperation
- C. Hatred
- D. Both a and b

4. International trade and domestic trade differ because of

- A. Different government policies
- B. Trade restrictions
- C. Immobility of factors
- D. All of above

5. What would encourage trade between two countries?

- A. Reduced tariffs
- B. Frontier checks
- C. Different tax system
- D. National currencies

6. Rich countries have deficit in their balance of payments

- A. Always
- B. Never
- C. Sometimes
- D. Alternate years

7. All the advantages of foreign trade EXCEPT

- A. Cheaper goods
- B. People get foreign exchange
- C. Optimum utilisation of countries resources
- D. Nations compete

8. In foreign trade protection policy means

- A. Restrictions on exports
- B. Restrictions on transfer of foreign exchange
- C. Restrictions on imports
- D. All of the above

9. If Chile decreases external value of its currency , it will effect

- A. Volume of exports
- B. Volume of imports
- C. General price level
- D. All of the above

10. A limit on the number of cars that can be brought into the country...

- A. Tariff
- B. Import Quota
- C. Customs duty
- D. Export Quota