

Economics - ICS Part 2 Economics English Medium Chapter 5 Online Short Questions Test

Q1. Write items of balance of payments.

Ans 1: 1- Visible imports and exports.

Ans 2: 2- Invisible items.

Q2. What is meant by surplus balance of trade.

Ans 1: If a country exports visible goods having more value than the total visible goods imported by it, the balance of trade is said to be surplus of favourable.

Q3. What is current account of balance of payment.

Ans 1: Account of exports and imports of general goods and services is called current account of balance of payment.

Q4. What can be the other name of comparative cost theory.

Ans 1: General theory of international trade.

Q5. Write the points of difference between domestic trade and international trade.

Ans 1: 1- In mobility of labor and capital 2- Difference in currencies

Ans 2: 3- Difference in trade restrictions 4- Difference in govt facilities.

Ans 3: 5- Difference in trade agreements 6- Difference in trade policies

Q6. Write four causes of deficit balance of payments.

Ans 1: 1- Decrease in exports 2- Increase in imports

Ans 2: 3- Unfavorable terms of trade 4- Inflation

Q7. What is the objective of establishment of international monetary fund.

Ans 1: The objective of establishment of international monetary funds is to maintain the balance of payments of its members.

countries This organization provides foreign exchange to improve the balance of payments of its members.

Q8. Write four disadvantages of WTO.

Ans 1: 1- Unfavourable economic condition

Ans 2: 2- Provision of commodities injurious to health

Ans 3: 3- Decrease in Reserves of foreign exchange

Ans 4: 4- Obstacles in the way of set up of new industries.

Q9. When was WTO set up and how many are its members.

Ans 1: WTO was set up on 1st January 1995. Its members are 151

Q10. What is meant by domestic trade.

Ans 1: The trade that takes place between individuals living in the same country is called domestic or national or internal trade.
