

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 3

NOTE : Answer SIX questions including Question No.1 which is compulsory.

1. Explain **any four** of the following :

- (i) Functions of WTO
- (ii) Objectives of ASEAN
- (iii) Principles of free trade
- (iv) Dispute settlement mechanism
- (v) Role of Ministerial Conference.

(5 marks each)

2. (a) Write short notes with example on the following :

- (i) Market access
- (ii) Binding limit
- (iii) Distortion of trade
- (iv) Non-tariff barriers.

(3 marks each)

(b) Briefly state the main strategies adopted by the government to achieve the objective of making India a major player in world trade.

(4 marks)

3. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Adam Smith's Wealth of Nations fundamentally changed economic thinking about _____.
- (ii) John Stuart Mill developed the theory of _____ demand.
- (iii) One of the objectives of the WTO is to prevent self-defeating and destructive drift into _____.
- (iv) Most firms recognise that bigger the market, the greater their _____.
- (v) The Ministerial Conference can take decisions on all matters under the _____.
- (vi) _____ trade agreements facilitate mutually supportive processes of global and regional trade liberalisation.

(1 mark each)

- (b) What are the major objectives of the Foreign Trade Policy (FTP) of India ?
(5 marks)
- (c) State the salient features of the Special Economic Zones Act, 2005.
(5 marks)
4. (a) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) The infant industry argument did not originate with John Stuart Mill.
 - (ii) The 'terms of trade' argument deals with the ratio at which countries exchange exports for imports.
 - (iii) The economic case for an open trading system is based upon multilaterally agreed rules.
 - (iv) Principle of comparative advantage does not say that countries prosper by taking advantage of their assets to concentrate on what they can produce best.
 - (v) The WTO is not a member driven, consensus based organisation.
 - (vi) The WTO members are being increasingly influenced by regional trade agreements.
- (2 marks each)
- (b) Briefly state the guidelines for notifying special economic zone (SEZ).
(4 marks)
5. The threat of dumping of cheap Chinese products has become a real and serious threat for the Indian industry, in general, and your company in particular. In this context, advise the Director (Marketing) on the following :
- (a) Is the legal and regulatory framework of India in consonance with the WTO agreements on anti-dumping and anti-subsidy countervailing measures ?
(6 marks)
- (b) Under the WTO agreement, meanings of the 'terms' - (i) normal value; (ii) methods of determining normal value; (iii) export price and (iv) dumping margin.
(8 marks)
- (c) Normal value of a product is US \$110/kg. and its export price US \$100/kg. Is it a case of dumping, and, if so, what is the dumping margin ?
(2 marks)
6. Prepare a note for the Director (Marketing) explaining 'cartels' and their adverse effect with examples as restrictive trade practice under the Monopolies and Restrictive Trade Practices Act, 1969 and the Competition Act, 2002.
(16 marks)

7. Prepare a note for the Board of directors of your company stating the importance of Trade Related Intellectual Property Rights (TRIPs) and the strategy to protect these from theft and unauthorised use.

(16 marks)

8. (a) The UNCITRAL Rules state that "in addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory or partial awards." Critically examine the provisions relating to interim award under the UNCITRAL Rules.

(6 marks)

- (b) Decide the issues in following cases :

- (i) The agreement between Raman and Suman provides that disputes between them shall be decided by arbitration. Dispute arises about payment of dues. Raman files suit for recovery in the court. Suman raises preliminary objection that the dispute has to be resolved by arbitration as per the clause in the partnership deed.
- (ii) As per the arbitration clause in the agreement, a sole arbitrator was appointed to resolve the disputes between Akhtar and Bahadur. After completion of pleadings and evidence, Akhtar applied to the court for replacement of the existing arbitrator by another arbitrator on the ground that the present arbitrator is biased in favour of Bahadur.
- (iii) A tender for construction work contained arbitration clause. The employer conveyed acceptance of the tender to the contractor. The contractor deposited earnest money and started the work, pending execution of contract. The employer decided to abandon the construction and asked contractor to take back the earnest money. The contractor moved the court for appointment of arbitrator. The employer challenged the application of appointment of arbitrator on the ground that there was no concluded contract.
- (iv) The arbitral tribunal gave an award against the Modern Construction Ltd. without mentioning reasons on the ground that arbitration clause did not require reasoned award. Modern Construction Ltd. filed an application for setting aside the arbitration award.
- (v) Arbitration clause provides for resolution of dispute by arbitral tribunal of three arbitrators. Anurag appoints his arbitrator and requests Bharat to appoint his arbitrator within 30 days so that both the arbitrators could appoint presiding arbitrator. Bharat, however, did not appoint arbitrator stating that he could appoint arbitrator upto 60 days of the receipt of Anurag's notice. Is his contention acceptable ?

(2 marks each)

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