

# BALANCE OF PAYMENT

1. BoP is measured as:
  - (a) difference between visible items of exports and imports
  - (b) difference between invisible items of exports and imports
  - (c) difference between external and internal flow of gold
  - (d) difference between all receipts of foreign exchange and payments of foreign exchange
2. Balance of trade is measured as:
  - (a) difference between import and export of goods
  - (b) difference between import and export of services
  - (c) difference between import and export of capital
  - (d) difference between all exports and all imports
3. In which of the following categories are the transactions of balance of trade recorded?
  - (a) Visible items
  - (b) Invisible items
  - (c) Capital transfers
  - (d) All of these
4. Current account records transactions relating to:
  - (a) export and import of goods
  - (b) non-factor and factor income
  - (c) Current transfers
  - (d) all of these
5. Which of the following items relate to BoP on capital account?
  - (a) Foreign investment
  - (b) Loans
  - (c) NRI remittances
  - (d) All of these
6. Which of the following are not included in balance of trade?
  - (a) Payment of interest and dividend
  - (b) Expenditure by the tourists
  - (c) Borrowing from rest of the world
  - (d) All of these
7. If the value of visible exports exceeds the value of visible imports, the balance relates to:
  - (a) current account BoP
  - (b) capital account BoP
  - (c) balance of trade
  - (d) none of these
8. Unilateral transfers are:
  - (a) one-sided payments
  - (b) reciprocal payments
  - (c) factor incomes
  - (d) all of these
9. Surplus in BoP occurs when:
  - (a) receipts = payments
  - (b) receipts < payments
  - (c) receipts > payments
  - (d) both (a) and (c)

10. Balance of payments is in disequilibrium when:
- current account balance + capital account balance is not equal to zero
  - current account balance + capital account balance is some positive number
  - current account balance + capital account balance is some negative number
  - all of these
11. Disequilibrium in balance of payments leads to:
- increase in official reserves with RBI
  - decrease in official reserves with RBI
  - both (a) and (b)
  - none of these
12. Autonomous items are related to those transactions which:
- are determined by motive of profit
  - are not concerned with the equilibrium status of BoP
  - both (a) and (b)
  - none of these
13. Accommodating items are those items of BoP which:
- are not determined by considerations of profit
  - are conditioned by the positive or negative BoP status
  - lead to increase or decrease in official reserves with RBI
  - all of these
14. Cause of BoP imbalance relates to:
- accommodating items
  - autonomous items
  - neither (a) nor (b)
  - both (a) and (b)
15. Balance of trade is a part of:
- |                         |                               |
|-------------------------|-------------------------------|
| (a) current account BoP | (c) official reserves account |
| (b) capital account BoP | (d) none of these             |
16. Invisibles balance refers to:
- Exports - Imports
  - Trade balance+ Balance of non-factor services
  - Balance of non-factor services + Balance of income + Balance of transfers
  - Exports -Imports + Balance of factor services
17. When balance of payments balances:
- current account+ capital account = zero
  - official reserves account is a part of current account
  - official reserves account is a part of capital accOunt
  - both (a) and (c)
18. Exports = R 1,000 lakh, imports = 1,650 lakh, balance of trade shows:
- surplus of 650 lakh
  - deficit of R 650 lakh
  - balance of 2,650 lakh
  - none of these

19. If balance of trade is (-) 600 crore and value of exports is RS 500 crore, then the value of imports will be:

(a) 1,300 crore

(b) 300 crore

(c) 1,100 crore

(d) 1,200 crore

20. If balance of trade is showing a deficit of 200 crore and value of imports is RS 900 crore, then the value of exports would be:

(a) 200 crore

(c) 700 crore

(b) 500 crore

(d) 900 crore