

# 12 Lecture - MGT211

## Important Mcqs

1. Which of the following refers to the exchange of goods and services between countries?
- a) Domestic trade
  - b) International trade
  - c) Local trade
  - d) Regional trade

Answer: b) International trade

2. What is the primary objective of foreign trade?

- a) To increase domestic production
- b) To reduce imports
- c) To earn foreign exchange
- d) To decrease the balance of trade

Answer: c) To earn foreign exchange

3. Which of the following is not a mode of foreign trade?

- a) Export
- b) Import
- c) Franchising
- d) Licensing

Answer: c) Franchising

4. What is the name given to the difference between a country's total exports and imports?

- a) Balance of payments
- b) Balance of trade
- c) Current account
- d) Capital account

Answer: b) Balance of trade

5. Which of the following is not a benefit of foreign trade?

- a) Increased competition
- b) Access to new markets
- c) Economic growth
- d) Reduced job opportunities

Answer: d) Reduced job opportunities

6. What is foreign direct investment (FDI)?

- a) Investment in domestic companies
- b) Investment in foreign companies
- c) Investment in domestic and foreign companies
- d) Investment in government securities

Answer: b) Investment in foreign companies

7. Which of the following is a form of trade protectionism?

- a) Import quotas

- b) Export promotion
- c) Free trade agreements
- d) Customs unions

Answer: a) Import quotas

8. Which of the following is an example of a trade surplus?

- a) A country exports more than it imports
- b) A country imports more than it exports
- c) A country has no exports or imports
- d) A country has a balance of trade of zero

Answer: a) A country exports more than it imports

9. What is meant by the term "tariff"?

- a) A tax on imports
- b) A tax on exports
- c) A subsidy for exports
- d) A subsidy for imports

Answer: a) A tax on imports

10. Which of the following is an example of foreign business?

- a) A domestic company exporting goods to foreign countries
- b) A foreign company operating in the domestic market
- c) A domestic company trading with other domestic companies
- d) A foreign company importing goods from domestic companies

Answer: b) A foreign company operating in the domestic market