



SOUTH EASTERN UNIVERSITY OF SRI LANKA

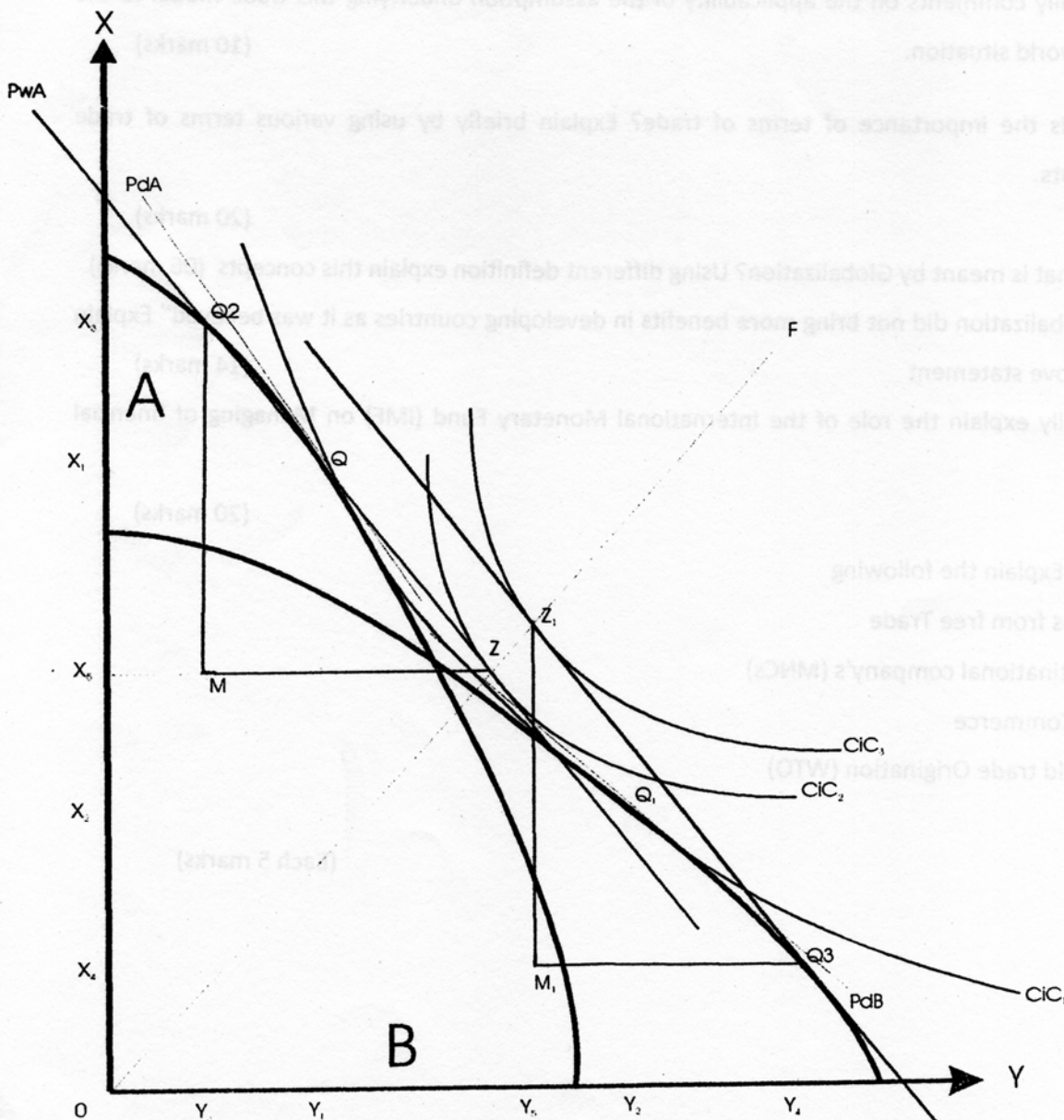
SECOND YEAR EXAMINATION IN BACHELOR OF COMMERCE (EXTERNAL)
2009 / 2010 - HELD IN DECEMBER - 2010

COM 26 - INTERNATIONAL ENVIRONMENT OF BUSINESS

Answer all Questions

Time: 03 hours

1. graph below explains specialization and gains from trade





(A) Using the above graph indicate the following

- | | |
|-------------------|--------------|
| • A,B | • P_{dA} |
| • C_1, C_2, C_3 | • Q_1, Q_3 |
| • x,y | • P_{dB} |
| • Z, Z_1 | • P_{WA} |
| • Q, Q_2 | • P_{WB} |

(10 marks)

B) Critically comments on the applicability of the assumption underlying this trade modal to the real world situation. (10 marks)

2. What is the importance of terms of trade? Explain briefly by using various terms of trade concepts. (20 marks)

3. (A) What is meant by Globalization? Using different definition explain this concepts (06 marks)
(B) Globalization did not bring more benefits in developing countries as it was believed" Explain the above statement (14 marks)

4. Critically explain the role of the International Monetary Fund (IMF) on Managing of financial crisis (20 marks)

5. Briefly Explain the following
- Gains from free Trade
 - Multinational company's (MNCs)
 - E – Commerce
 - World trade Origination (WTO)

(Each 5 marks)

