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Answer A Key

Q.1 Attempt any two of the following

a) What are the export and import functions?

Ans:- Export-import factors changes in ENP due to trade.

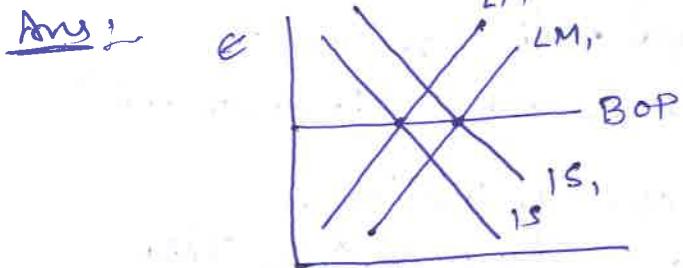
b) Why Equilibrium EDP consistent with trade balance?

Ans:- Define EDP, equilibrium EDP, Define BOP.

BOP relationship between EDP & Trade

ENP equations with foreign trade

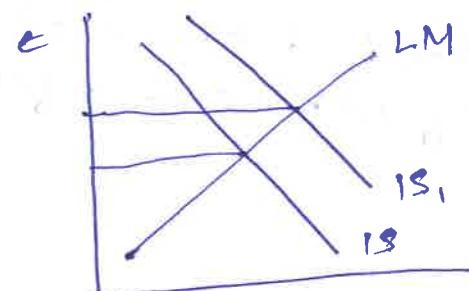
c) Examine the fiscal policy with fixed exchange rate.



Define fiscal policy/
Exchange rate policy.
& Effects of fiscal
policy on fixed exchange
rate.

Q.2 a) Attempt any two of the following

a) Discuss uncovered interest parity in detail.

Ans:- Describe determination of exchange rate
effect of changes in interest rate on
exchange rate.b) Examine the fiscal policy under flexible
exchange rate system.Ans:-

- Q. 1. Discuss the Middle - Eastern situation.
- Ans: - Discuss the Middle - Eastern situation following factors:
- ⇒ Geography: The Middle East is bordered under Europe, Africa & Asia. The Middle East is situated between Europe & Asia.
 - ⇒ History: The history of Middle East is very old. It has been influenced by various civilizations like Mesopotamian, Egyptian, Persian, Greek, Roman, Ottoman, etc.
 - ⇒ Religion: The Middle East is a religiously diverse region. Major religions include Islam, Christianity, Judaism, Zoroastrianism, etc.
 - ⇒ Economy: The Middle East is rich in oil and gas resources. It is also known for agriculture, especially in the Nile Valley and Indus River basin.
 - ⇒ Politics: The Middle East is a region of political instability due to various factors like territorial disputes, religious conflicts, and external interventions.
 - ⇒ Geopolitics: The Middle East is a strategic region located at the crossroads of Europe, Africa, and Asia. It is a major player in world politics and economy.
- Q. 2. What are the key issues debated in the Middle East?
- Ans: - Key issues debated in the Middle East include:
- ⇒ Terrorism: Terrorism is a major concern in the Middle East, particularly in countries like Iraq, Syria, and Libya.
 - ⇒ Refugee Crisis: The refugee crisis in the Middle East, primarily driven by the conflict in Syria, has led to a large number of refugees fleeing to neighboring countries like Jordan, Turkey, and Lebanon.
 - ⇒ Oil Prices: Oil prices have been a significant factor in the Middle East, with the region being a major producer of crude oil.
 - ⇒ Iranian Influence: The influence of Iran in the Middle East, particularly in countries like Iraq, Syria, and Lebanon, is a source of concern for many countries in the region.
 - ⇒ Israel-Palestine Conflict: The conflict between Israel and Palestine is one of the most persistent and complex issues in the Middle East.
 - ⇒ Yemen Conflict: The conflict in Yemen, involving Houthi rebels and the Saudi-led coalition, has been a major source of instability in the region.
 - ⇒ Turkish Policies: The policies of Turkey, particularly its support for Kurdish groups and its role in the Syrian civil war, have been a source of tension in the region.
- Q. 3. Attempt any two of the following:
- Ans: -
- ① Discuss the Middle - Eastern situation model
 - ② Discuss the Middle - Eastern situation
 - ③ Discuss the Middle - Eastern situation

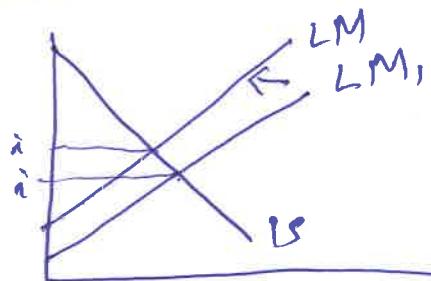
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Q. 5 on Trade balance & GDP

Ans: - GDP equation & trade balance sole
by GDP

⇒ The monetary policy under flexible exchange
rate.

Ans: -



Independence of
Monetary policy

⇒ The exchange rate crisis

Ans: - Impact of macroeconomic variables
on exchange rate. Exchange rate
crisis & variability in exchange rate.

⇒ The gold standard.

Ans: - The system of gold standard
— Gold standard in interwar period.

