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Important Questions 2010

Class-XII (Economics)

Q. 1. What is a foreign exchange rate?

Q. 2. Why is foreign exchange demanded ?

Q. 3. What are the sources of Supply of foreign exchange?

Q. 4. Why does a rise in foreign exchange rate cause a rise in its supply?

Q. 5. Explain the determination of foreign exchange rate.

Q. 6. What is meant by fixed rate of exchange? How is fixed rate of exchange determined?

Q. 7. What is flexible rate of exchange?

Q. 8. Differentiate between fixed and flexible rate of exchange.

Q. 9. Define- Appreciation of a currency, Devaluation , Depression, sport market, forward markets.

Q. 10. Explain the concept of managed floating.

Q. 11. Define Balance of payments, Balance of trade.

Q. 12. What is meant by visible and invisible items in the balance of payments account? Give two examples of invisible items.

Q. 13. Give the structure of balance of payments account of any country.

Q. 14. Define accommodating and autonomous items.

Q. 15. The balance of trade shows a deficit of Rs.300 crore. The value of exports is Rs. 500 crore. What is the value of imports?