

Trade

Exercise

Q. 1. Classify the trade taking place between following regions :

- (A) Maharashtra and Punjab**
- (B) India and Japan**
- (C) Lasalgaon and Pune**
- (D) China and Canada**
- (E) India and European Union**

Answer : **(A)** Since Maharashtra and Punjab are in the same country i.e India, the trade taking place between them is Domestic Trade (Internal Trade).

(B) India and Japan are two different countries, and hence the trade taking place between them is Bilateral International Trade.

(C) Lasalgaon is a town in Nashik District in the Indian state of Maharashtra and Pune is a District in the Indian state of Maharashtra since this trade is within the state it can be termed as local trade which takes place within cities, towns or villages.

(D) China and Canada are two different countries, and hence the trade taking place between them is Bilateral International Trade.

(E) India is an Asian Country whereas European Union is an Union of 28 European countries hence trade taking place between them is Multilateral International Trade.

Q. 2. Write the correct word- Import or Export for the following :

- (A) India buys crude oil from the Middle-East Asian countries.**
- (B) Wheat is sent to Asian countries from Canada.**
- (C) Japan sends machine parts to APEC countries.**

Answer : **(A)** India buying crude oil from the Middle-East Asian countries is an Import.

(B) Wheat sent to Asian countries from Canada is export.

(C) Japan sending machine parts to APEC countries is a export.

Q. 3. Correct and rewrite the wrong statements :

- (A) India is a self-sufficient country.**

- (B) The place where there is excess production does not have demand for those products.**
- (C) International trade processes are easier than local trade.**
- (D) SAARC works towards economic development and enhancing the social and cultural harmony of the South- East Asian countries.**

Answer : **(A)** No region or country is self-sufficient

(B) When a country produces excess goods or services than required, it sells these to countries which have a demand for it.

(C) Carrying out trade at an international level is a more complex process than domestic trade.

(D) SAARC work towards Increasing social welfare, raising the living standard and increasing regional cooperation among member states.

Q. 4. Identify and write the type of trade:

- (A) Srushti brought sugar from the grocery shop.**
- (B) The traders from Surat bought cotton from the farmers of Maharashtra.**
- (C) Sameer has exported pomegranates from his farms to Australia.**
- (D) Sadabhau bought 10 sacks of wheat and 5 sacks of rice from Market Yard for selling in his own shop.**

Answer : **(A)** Such type of trade can be termed as visible trade, since Srushti bought sugar here she is buying goods and the grocery shopkeeper is selling the good.

(B) This type of trade can be termed as Wholesale Trade, as the trader buys cotton produce directly from the farmers in bulk quantity and will sell to the traders of retail market.

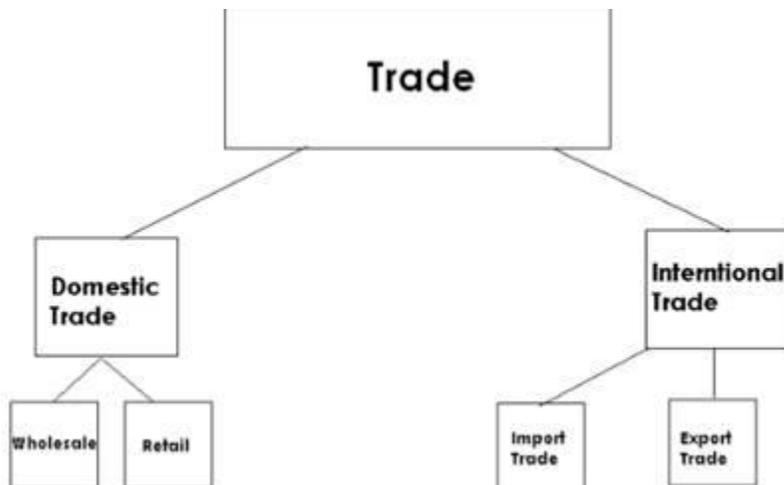
(C) Such type of trade can be called as export which is basic process of international trade. As the pomegranates from the farm, are being sent to a foreign country.

(D) This type of trade is called Retail Trade. As the goods are bought from Wholesale market and will be sold directly to consumers.

Q. 5 A. Write answers in short:

Create a flowchart showing the types of trade.

Answer : Below is the flow chart which shows different types of trade.



Q. 5 B. Write answers in short:

Explain the difference in types of balances of trade.

Answer : The difference in types of balances of trade can be defined in 3 ways as mentioned below.

(i) When the value of imports is more than the value of exports, it is called 'unfavorable balance of trade.

(ii) When the value of exports is more than the value of imports, it is called 'favourable balance of trade.

(iii) When the value of exports and imports is almost the same, it is called 'balanced balance of trade'.

Q. 5 C. Write answers in short:

State the objectives of WTO.

Answer : The World Trade Organization (WTO) has six key objectives which are mentioned below.

(i) to set and enforce rules for international trade.

(ii) to provide a forum for negotiating and monitoring further trade liberalization.

(iii) to resolve trade disputes.

(iv) to increase the transparency of decision-making processes.

(v) to cooperate with other major international economic institutions involved in global economic management and,

(vi) to help developing countries benefit fully from the global trading system.

Q. 5 D. Write answers in short:

What is the difference between the OPEC and APEC in terms of their functions?

Answer : The OPEC and APEC varies in functions as listed below.

Sr #	OPEC	APEC
1	It is Organisation of Petroleum Exporting Countries.	It is Asia-Pacific Economic Cooperation
2	Controlling the international trade of crude oil	Free trade and economic cooperation in Asia-Pacific Ocean region
3	Controlling the rates of crude oil production among member states	Promoting regional and technical cooperation among members
4	Maintaining consensus in oil export	

Q. 5 E. Write answers in short:

Write the functions of the important trade organisations in Asia.

Answer : The important trade organization in Asia with their function is listed below.

(i) South Asian Association for Regional Cooperation (SAARC)

It's function is to find satisfactory solutions to the problems faced by south Asian countries, to remove unrest and increase social ,living standard and regional co-operation.

(ii) Association of South-East Asian nations (ASEAN)

Its function is to expand cultural & social harmony along with economic growth, promoting regional peace and tax waving.

(iii) Asia-Pacific Economic Cooperation (APEC)

Its function is to promote free trade and economic cooperation in Asia-Pacific region. Promoting regional and technical cooperation.

(iv) Brazil, Russia, India, China and South Africa (BRICS)

Its function is to make funds available for economic growth, strengthening economic security.

Q. 5 F. Write answers in short:

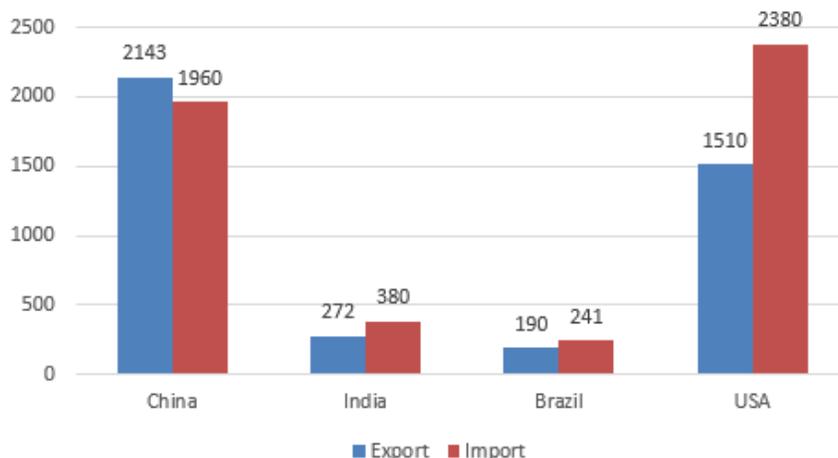
What is the importance of marketing from farmers 'point of view'?

Answer : Information plays an important part of different aspects of the crops. This information has to be accurate and sufficient, and such information will help farmers in planning the dates, planning & selecting the place to grow the crop and to sell the crop. If the supply are source at fair cost then this can give good returns. The kind of information required is information on the wholesale and retail market, export and import price and the price at farmers end.

Q. 6. In the following table, export-import of some countries in the year 2014-15 is given in million U.S. dollars. Make a compound bar graph of the given statistical information. Read the bar diagram carefully and comment upon the balance of payments of the respective countries.

Country	Export	Import
China	2143	1960
India	272	380
Brazil	190	241
USA	1510	2380

Answer : The bar diagram with comments on the import and export trade is mentioned below.



As per the information provided and the bar diagram India, Brazil and USA are doing an unfavorable balance trade as the value of import is more than the value of export. Whereas China is doing favorable balance trade as the value of export is more than the value of import.

Activity

Q. 1. Carry out the following activity with the help and guidance of teachers:

Prepare a good advertisement for any product. Make sure your advertisement gets maximum appreciation from the class.

Answer : I would like to present advertisement of Milkshakes, which I have consider as my product for advertisement. Since this is summer season decided to make something cooler.

The Tag Line or Punch Line will be : Not Cool Be Cooler This Summer.

The Picture of the product will be as below. With Introduction caption as , White Crunch Milkshake, quench your thirst.

