

Chapter-9

International Trade

Very Short Answer Questions

Q-01 Write the main components of international trade?

Ans. The main components are (i) Volume of trade (ii) Composition of trade (iii) Direction of trade.

Q-02 Why are sea ports called gateways of international trade?

Ans. Ports import goods from foreign countries for their hinterland and export product goods to foreign countries therefore they are called gateways of international trade.

Q-03 What is it detrimental for a nation to have negative balance of payments?

Ans. A negative trade balance of payments means a country is not in a position to invest more on imports resultant it is gradually indebted.

Short Answer Questions

Q-04 Distinguish between favorable balance of trade and unfavorable balance of trade.

Ans - Favorable balance of trade -

- When, in any of the country value of exports is more comparing the imports it is known as favorable balance of trade.

- This sort of trade is known as positive trade balance.

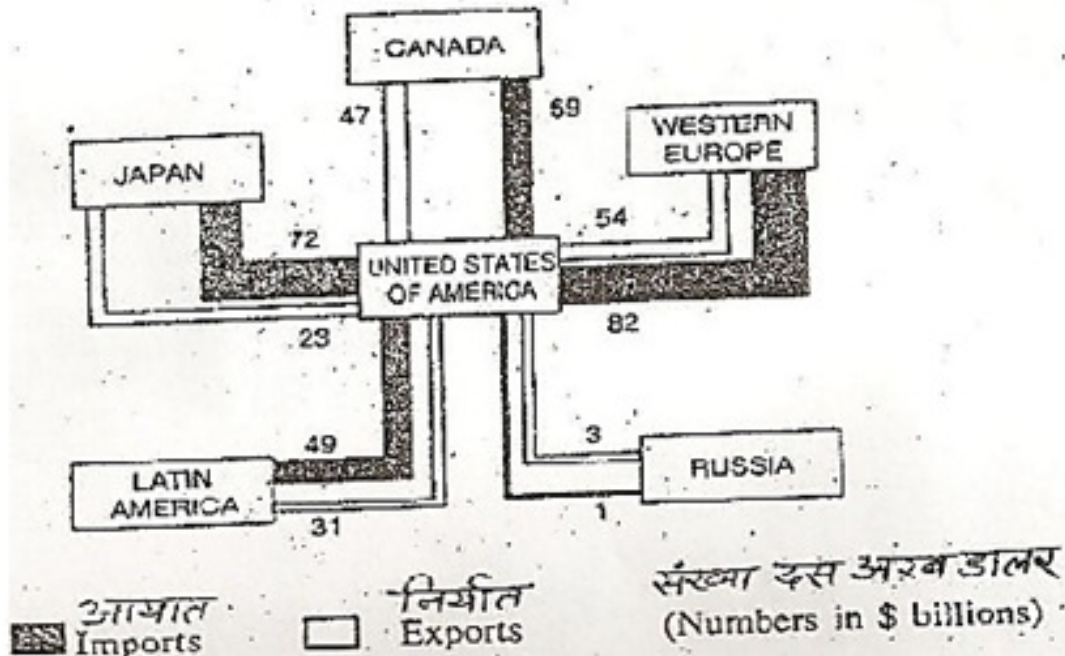
Unfavorable Balance of trade –

When in any of the country imports are more comparing their exports then it is said to be unfavorable balance of trade This type of balance of trade is also known as negative trade balance.



Long Answer Questions

Q-05 Study the diagram given below and answer the following questions: -



(i) Name the country with which U.S.A.'s export and imports both are lowest.

Ans - (i) Russia

(ii) Name the country with which the balance of trade of U.S.A. is most unfavorable (Negative).

Ans - (ii) Japan

(iii) Name the country with which the total value of foreign trade of the U.S.A. is highest. Support your answer with the data given in the diagram.

Ans - (iii) Western Europe 136 million (billion) dollar