

Class Test No 12

Balance of Payment

Class XII Set A

M.M.:15

- Q1** 'Devaluation and Depreciation of currency is one and the same thing'. Do you agree? How do they affect the exports of a country? **3**
- Q2** What is meant by 'official reserve transactions'? Discuss their importance in Balance of Payments, **3**
- Q3** Explain the concept of 'deficit' in balance of payments. **3**
- Q4** Indian investors lend abroad. Answer the following questions: **6**
- (a) In which sub account and on which side of BOP account such lending is recorded? Give reasons.
- (b) Explain the impact of this lending on market exchange rate.