

*Note: (a) All questions are compulsory.*

*(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems*

Q.No	Question	CO	Marks
Q1	Write short notes (max 100 words) a) DDA Negotiation b) Models of FDI c) India's Exim Policies d) Major Functions of RBI	1	(1.5x4=6)
Q2	What do you understand by Money Market and what are its key instruments? Discuss the role of the money market in maintaining liquidity and stability in the financial system.	3	5
Q3	How does the interlinking of stock exchanges and depositories enhance efficiency, transparency, and accessibility in securities trading and settlement? Discuss the technological and regulatory challenges involved in achieving seamless integration.	3	5
Q4	How does globalization influence economic development in terms of trade, investment, and technology transfer? What are the potential benefits and challenges of this interlinking for developing and developed countries?	2	5
Q5	What role do multinational corporations (MNCs) play in driving economic development through investment, job creation, and technology transfer? How can their operations impact local economies positively and negatively?	4	6
Q6	Please read the case given below carefully and answer the questions following it  GlobalTech, a prominent multinational corporation (MNC) specializing in electronics, decided to establish a manufacturing plant in Econova, a developing country seeking to attract foreign direct investment (FDI) to boost its economic growth. Econova's government, eager to capitalize on globalization's opportunities, offered GlobalTech tax incentives, streamlined regulatory processes,	4	2x4=8

and improved infrastructure to facilitate the company's entry.

The investment brought substantial benefits to Econova. Over 10,000 jobs were created, ranging from manufacturing roles to positions in management and logistics. GlobalTech introduced advanced manufacturing technologies, enabling local suppliers and businesses to adopt innovative practices and improve productivity. Additionally, the plant significantly increased Econova's export revenue, as a majority of its production was geared towards international markets. These developments contributed to a rise in the country's GDP and strengthened its global trade ties.

However, the arrival of GlobalTech also posed challenges. Despite job creation, many workers complained of low wages and inadequate working conditions compared to global standards. The local environment suffered due to improper waste management and resource depletion caused by the factory's operations. Moreover, local industries found it difficult to compete with GlobalTech's superior technology and economies of scale, leading to the closure of several small businesses.

GlobalTech's case underscores the dual-edged nature of globalization and the role of MNCs in economic development. While they can drive economic growth, technology transfer, and employment, they can also lead to social, environmental, and economic disparities if not regulated effectively. Econova's experience highlights the importance of a balanced policy approach that maximizes the benefits of globalization while addressing its challenges.

The government of Econova began addressing these issues by implementing stricter labor laws, environmental regulations, and encouraging GlobalTech to partner with local businesses for mutual growth. These measures aimed to ensure that the long-term benefits of MNC operations align with the country's sustainable development goals.

- a) What were the key benefits of GlobalTech's investment in Econova?
- b) What challenges did Econova face due to GlobalTech's operations?
- c) How does globalization facilitate the entry of MNCs into developing countries?
- d) What measures can governments take to ensure sustainable and inclusive development from MNC investments?