

BAL BHARATI PUBLIC SCHOOL
Ganga Ram Hospital Marg, New Delhi-60

CLASS –XII (MACRO) (UNIT VI)

SUBJECT -ECONOMICS

ASSIGNMENT- 20

TOPIC – BALANCE OF PAYMENT

1. Define: foreign exchange, foreign exchange rate, fixed exchange rate, floating exchange rate
2. State the relationship between price and demand for foreign exchange.
3. State the relationship between price and supply of foreign exchange.
4. Write a note on managed floating.
5. State 4 sources each of demand and supply of foreign exchange.
6. When exchange rate of a foreign currency increases its supply rises. Explain how.
7. When exchange rate of a foreign currency falls its demand rises. Explain how.
8. Explain how foreign exchange rate is determined. Use diagram.
9. Distinguish between
 - a) devaluation and depreciation
 - b) revaluation and appreciation
 - c) autonomous and accommodating transactions
10. Explain the meaning of balance of payment account. Name its components.
11. State the components of current account and explain them.
12. State the components of capital account and explain them.
13. Explain balance of trade, balance on current account, balance on capital account.
14. Explain the meaning of deficit in balance of payment.