

BALANCE OF PAYMENTS

Worksheet-2

- Q.1** Define Capital Account.
- Q.2** State two purpose serve by Capital Account.
- Q.3** Capital Account is concerned withtransactions. (Financial/Non-financial)
- Q.4** Capital Account haseffect on income, output, and employment of the country. (Direct/Indirect)
- Q.5** What are the components of Capital Account.
- Q.6** Borrowing from abroad and repayment of loans by foreigners are recorded onside. (Credit/Debit)
- Q.7** Investment by Indian resident in shares of foreign companies, real estate abroad, etc are recorded(Credit/Debit)
- Q.8** Any withdrawal from the official reserve is recorded inside and any addition to these reserves are recorded on theside. (Debit/Credit)
- Q.9** Surplus in capital account arises when.....items are more thandebit items. (Debit/Credit)
- Q.10** Deficit in capital account indicatesof capital. (Net inflow/Net outflow)
- Q.11** What is the meaning of 'Errors & Omissions" in BOP.
- Q.12** Current Account is aconcept. (Stock/Flow)
- Q.13** Capital Account is aconcept. (Stock/Flow)
- Q.14** Distinguish between Current Account and Capital Account based on Influence on the economy.
- Q.15** What is the meaning of Autonomous items.
- Q.16** Autonomous transaction takes place only on the current account. (True/False)
- Q.17** Give one example of an autonomous transaction if any on capital account
- Q.18** BOP account is in surplus when autonomous receipts are.....than an autonomous payment. (More/Less)
- Q.19** What is the meaning of Accommodating items.
- Q.20** Accommodating transactions take place only onaccount. (Current/Capital)
- Q.21** Autonomous transactions are also known asline items. (Above/Below)
- Q.22** State three sources used to meet the deficit in the BOP.
- Q.23** Autonomous transactions are of the state of BOP account. (Independent/Dependent)
- Q.24** What is the meaning of Official Reserve Transactions?
- Q.25** Accommodating transactions are also known asline items. (Above/Below)
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Prepared by: S.K. Ahuja