

Flow Chart

How to Proceed for the 50 marks Case Study in the Exam?

You should attempt Q1. after completing Q2. to Q6. So that you can attempt the same with free mind and ample time in hand.



Read the Question first and not the passage because it is better to know the destination before starting the journey.



After reading the question, try to understand and analyze that in what combination of chapters, the questions are given in the paper.



After analyzing and depicting about the specified chapters covered, then go for reading the passage.

Note from the Author:

The 50 marks case study can be theoretical or practical based or a combination of both. The presentation of answer runs parallel to the content. There has to be a balance between Quality and Quantity of answers.

INTERNATIONAL BUSINESS LAWS AND PRACTICES

(Elective Paper 9.5)

Time allowed : 3 hours

Maximum marks : 100

NOTE: Answer ALL Questions.

Question 1

Case study :

Impact of Brexit on Indian Economy

Britain's exit from the European Union (EU) is known in common parlance as Brexit, has come about as a shocker not only for global business markets but also the political leaders across the world, throwing a huge amount of uncertainty as to which way the world economic winds would blow ?

Britain, the second largest economy in Europe after Germany, is the second country after Greenland to quit the bloc. London, Scotland and Northern Ireland voted strongly to stay in the EU but Brexit held strong in the north of England, the Midlands region, Wales and most English countries.

Since 1973, the Europe continent has seen 54 instances of citizens deciding policy via referendum.

There are three interesting insight on the political and constitutional side of Brexit. First, that the issue of immigration is a crucial one for people even today and there can be irrationality choices about this despite the fact that it may fly in the face of economic logic. As a matter of fact, what strikes as an "unkindest cut" for the Brexit camp is the fact that countries which are formally not part of the EU but enjoy access to the single market as members of the European Economic Area-like Iceland, Liechtenstein, Norway and even Switzerland, being a member of the European Free Trade Association. Several EU leaders have put their foot down and stated unequivocally that if the UK wishes to have access to its single market, then it has to permit the free movement of EU citizens within its borders and their right to be engaged in employment. In other words, "free market" implies "free movement of persons".

Second, a pro sentiment in some parts is not shared in some other parts. For example, Scotland and London have voted to stay in the EU but were balanced by other parts where people saw immigration as a significance threat. Finally, on the political front, the exist of Britain still has some ambiguity. It is long process and is as yet not legally binding.

Economic Catastrophe for Britain

The economic catastrophe for Britain will occur in 10 categories like (i) The loss of trade preferences, (ii) the loss of community funding, (iii) the loss of jobs, (iv) the loss of manufacturing capacity, (v) the loss of scale economics, (vi) the loss of institutional scope, (vii) the loss of market access (viii) the loss of solidarity in

Answer 1(a)

Yes, a regional trading bloc is a group of countries within a geographical region that protect themselves from imports from non-members. A trade bloc is basically a free-trade zone, or near-free-trade zone, formed by one or more countries eliminating tariff and non-tariff barriers among two or more countries. Trading blocs are a form of economic integration, and increasingly shape the pattern of world trade.

Following are various categories of trading blocs:

1. *Preferential Trade Area* : Preferential Trade Areas (PTAs) exist when countries within a geographical region agree to reduce or eliminate tariff barriers on selected goods imported from other members of the area.
2. *Free trade area* : Free Trade Areas (FTAs) are created when two or more countries in a region agree to reduce or eliminate barriers to trade on all goods coming from other members. This is the most basic form of economic cooperation. Member countries remove all barriers to trade among themselves but are free to independently determine trade policies with non-member nations.
3. *Customs union* : Custom Union provides for economic cooperation as in a free-trade zone. Barriers to trade are removed between member countries. The primary difference from the free trade area is that members agree to treat trade with non-member countries in a similar manner. A customs union involves the removal of tariff barriers between members, plus the acceptance of a common (unified) external tariff against non-members.
4. *Common market* : A 'common market' is the first significant step towards full economic integration, and occurs when member countries trade freely in all economic resources – not just tangible goods. This means that all barriers to trade in goods, services, capital, and labour are removed. In addition, as well as removing tariffs, non-tariff barriers are also reduced and eliminated. This type allows for the creation of economically integrated markets between member countries. Trade barriers are removed, as are any restrictions on the movement of labour and capital between member countries.
5. *Economic and Monetary union* : This type is created when countries enter into an economic agreement to remove all barriers to trade and adopt common economic and monetary policies. An example is the European Union (EU). Monetary union is a type of trade bloc which is composed of an economic union (common market and customs union) with a monetary union. Monetary union is established through a currency-related trade pact. An intermediate step between pure monetary union and a complete economic integration is the fiscal union.
6. *Political union* : In order to be successful the more advanced integration steps are typically accompanied by unification of economic policies (tax, social welfare benefits, etc.), reductions in the rest of the trade barriers, introduction of supranational bodies, and gradual moves towards the final stage, a "political union". Political union is the final stage in economic integration with more formal political links between the countries.