Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 15-12-2025 **Time:** 09.30am to 12.30pm

School: SOL	**Program**: B.Com/B.A/BBA;LL.B (Hons.)	
Course Code : LAW4028	**Course Name:** Foreign Trade Law	
Semester: IX	**Max Marks**: 100	**Weightage**: 50%

CO - Levels	**CO1**	**CO2**	**CO3**	**CO4**	**CO5**
Marks	**15**	**20**	**20**	**20**	**25**

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks. **10Q x 2M=20M**

1.	Give two examples of prohibited subsidies.	**2 Marks**	**L1**	**CO1**
2.	Discuss the key objectives of Foreign Trade Policy	**2 Marks**	**L2**	**CO2**
3.	Name any two export promotion schemes currently implemented by the Government of India.	**2 Marks**	**L1**	**CO2**
4.	Explain the meaning and purpose of a Free Trade Agreement.	**2 Marks**	**L2**	**CO3**
5.	Discuss the objective of the National Treatment principle under Article III of GATT 1994?	**2 Marks**	**L1**	**CO1**
6.	Discuss role of the Directorate General of Foreign Trade (DGFT) in India's foreign trade administration?	**2 Marks**	**L2**	**CO5**
7.	Explain the significance of foreign trade to a country's economy	**2 Marks**	**L1**	**CO4**

8.	Name any two conditions that must be proven to impose anti-dumping duties.	**2 Marks**	**L2**	**CO3**
9.	Explain the terms “trade surplus” and “trade deficit” in terms of international trade.	**2 Marks**	**L1**	**CO2**
10.	Why are export subsidies not allowed under WTO rules?	**2 Marks**	**L2**	**CO**

Part B

Answer the Questions. **Total Marks 80M**

11.	**a.**	The Heckscher–Ohlin theory emphasizes differences in factor endowments as the basis for international trade. Critically evaluate the validity of this theory in the light of intra-industry trade, outsourcing, and the rise of knowledge-based economies.	**10 Marks**	**L3**	**CO2**
Or					
12.	**a.**	Discuss the Product Life Cycle theory of international trade, explaining how it accounts for the changing trade positions of developed and developing countries over time.	**10 Marks**	**L3**	**CO2**

13.	**a.**	Protectio imposes an 8% tariff on imports of spruce, pine, and fir (SPF) lumber, while keeping a zero tariff on other types of dimension lumber. Patria challenges this before the WTO, claiming that SPF lumber and other lumber types are “like products”, and that the differential tariff violates Article I:1 of GATT (MFN treatment). Discuss whether Protectio’s measure violates Article I:1 of the GATT 1994.	**10 Marks**	**L3**	**CO3**
Or					

14.	**a.**	The country Novara is a WTO member that imports large quantities of automobile components. Recently, Novara entered into a bilateral trade agreement with Argenta, under which it grants zero tariffs on automobile component imports from Argenta. However, Novara continues to impose a 10% tariff on the same products imported from Zentara, another WTO member that is not part of the bilateral agreement. As a member of the WTO Panel examining this dispute, analyze whether Novara's tariff policy violates the Most-Favoured-Nation (MFN) principle under Article I:1 of GATT 1994.	**10 Marks**	**L3**	**CO3**

15.	**a.**	Discuss the objective and key provisions of the Agreement on Sanitary and Phytosanitary (SPS) Measures . How does the SPS Agreement ensure that Members protect human, animal, and plant health without creating disguised restrictions on international trade?	**10 Marks**	**L3**	**CO4**
Or					
16.	**a.**	Discuss how the RBI manages India's foreign exchange reserves and its importance in ensuring external sector stability?	**10 Marks**	**L3**	**CO4**

17.	**a.**	The Appellate Body of the WTO's Dispute Settlement Mechanism has been non-functional since 2019 due to the blockage in the appointment of new members. Analyse the reasons behind this paralysis and discuss its impact on the enforcement of WTO dispute settlement rulings.	**15 Marks**	**L3**	**CO5**
Or					
18.	**a.**	Explain the procedural stages of dispute settlement under the WTO Dispute Settlement Understanding (DSU) from the request for consultations to the implementation of rulings. (5 Marks) Analyse the role of the panel, Appellate Body, and Dispute Settlement Body (DSB) in each stage. (5 Marks)	**15 Marks**	**L3**	**CO5**

19.	**a.**	India's domestic tile manufacturers file a complaint alleging that ceramic tiles imported from China are being sold in India at prices lower than their normal value in the Chinese market. They claim this has caused a significant decline in domestic sales, profits, and employment. As a legal advisor to the Directorate General of Trade Remedies (DGTR), answer the following: a. What are the key legal elements that must be proven to establish dumping under the WTO Anti-Dumping Agreement?(10 Marks) b. What steps must India take before imposing anti-dumping duties consistent with its WTO obligations? (10 Marks)	**15 Marks**	**L4**	**CO3**
		Or			
20.	**a.**	The WTO member Ecozia passes a new law prohibiting the import of plastic packaging materials that are non-biodegradable, citing serious environmental concerns and the need to protect marine ecosystems. Another WTO member, Plastica, a major exporter of plastic products, challenges this measure before the WTO Dispute Settlement Body (DSB). Ecozia defends its action, claiming that the measure is justified under Article XX(b) (protection of human, animal or plant life or health) and Article XX(g) (conservation of exhaustible natural resources) of the GATT. As a WTO Panel member, assess whether Ecozia's import ban can be justified under the General Exceptions of Article XX of GATT 1994.	**15 Marks**	**L4**	**CO3**

21.	**a.**	Following sustained pressure from globalization, India has gradually shifted from a protectionist trade regime to a more liberalized framework. However, concerns persist that rapid liberalization has exposed certain domestic industries to unfair competition while benefiting others. As a policy advisor to the Ministry of Commerce, critically assess how India's past trade policies and engagement with globalization have shaped the performance and vulnerability of key domestic sectors. Support your analysis with examples of sectors that have gained or suffered due to liberalization.	**20 Marks**	**L4**	**CO2**
		Or			
22.	**a.**	The Government of India launches the "BoostIndia Scheme", offering cash rebates and low-interest loans to domestic textile manufacturers who export at least 50% of their annual production. Several developing countries allege before the WTO that the scheme constitutes a prohibited subsidy under the Agreement on Subsidies and Countervailing Measures (SCM Agreement). As legal counsel for India, prepare a reasoned legal opinion addressing: **1.** Whether the "BoostIndia Scheme" qualifies as a subsidy under Article 1 of the SCM Agreement. **(5 Marks)** **2.** Whether it constitutes a prohibited export subsidy under Article 3, and if so, what possible defences or justifications India can raise as a developing country Member. **(10 Marks)** **3.** What remedies or consequences may follow if the WTO Dispute Settlement Body rules against India. **(5 Marks)**	**20 Marks**	**L4**	**CO2**