

RESEARCHERS' TEST

Instructions for Researchers

- The duration of this test is 60 minutes.
 - This is a closed book test. Researchers are not allowed to access any print or electronic material during this test.
 - Read the questions carefully. No clarifications can be sought during the test period.
 - You are required to choose the correct answer and mark the corresponding circle. Kindly mark the circle using blue or black ball pen.
 - Each question in Part A carries 2 marks, whereas each question in Part B carries 1 mark. Each wrong answer in Part A invites a penalty of -0.5 marks. Each wrong answer in Part B invites a penalty of -0.25 marks.
 - In case of a tie, ranks of researchers will be determined, first, based on who has answered more questions correctly in both parts put together, second, based on who has answered more questions in Part A correctly, third, based on who has answered more questions in Part B correctly, and fourth, through a coin toss.
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PART A

1. Which of the following types of subsidies are prohibited by the SCM Agreement?
 - (a) Subsidies contingent upon domestic production and export performance
 - (b) Subsidies contingent upon the use of foreign and domestic investments
 - (c) Subsidies contingent upon export performance and upon the use of domestic over imported goods
 - (d) Subsidies contingent upon improving domestic production and domestic market performance
2. According to the Panel in *US–Offset Act (Byrd Amendment)*, a measure constitutes an actionable subsidy if:
 - (a) It is a subsidy, it is specific and its use causes adverse effects
 - (b) It is a financial contribution, it confers benefits, and it is specific
 - (c) It is a public contribution, it confers benefits and its use causes adverse effects
 - (d) It is a specific contribution, it confers benefits without adverse effects

3. If the measure in question is found to be a prohibited subsidy, the panel shall recommend that:
 - (a) The subsidizing Member remove the adverse effects or withdraw the subsidy without delay
 - (b) The subsidizing Member withdraw the subsidy without delay
 - (c) The subsidizing Member, if fails to remove the adverse effects, repay the subsidised amount
 - (d) The subsidizing Member maintain the prohibited subsidy till it makes the repayment

4. The expression 'direct transfer of funds' by a government or any public body within the territory of a Member under Article 1.1(a)(1)(i) of the SCM Agreement can include:
 - (a) Grants, loans, and equity infusion only
 - (b) Not only money, but also financial resources and other financial claims more generally.
 - (c) Loans, equity infusion and tax credits
 - (d) Loan guarantees and tax credits

5. Which of the following cannot be deemed to be a 'financial contribution'?
 - (a) A direct transfer of funds
 - (b) Government revenue forgone
 - (c) Price support
 - (d) Exchange support

6. Which of the following subsidies is not a prohibited subsidy?
 - (a) Partial export subsidy
 - (b) Full export subsidy
 - (c) Import substitution subsidy
 - (d) Actionable subsidy

7. For a subsidy to be actionable, which of the following as a condition is not essential to be present:
 - (a) Injury to the domestic industry
 - (b) Serious prejudice resulting in export displacement
 - (c) Nullification or impairment of benefits
 - (d) Serious injury to the domestic industry

8. What is the time period within which the Government of Oxyonia could have reached a mutually agreed solution with the Government of Climatia under Article 4.4 of the SCM Agreement?
- (a) 20 days
 - (b) 30 days
 - (c) 40 days
 - (d) 60 days
9. Under which of the following decision-making procedures the DSB could have denied Climatia's request for the 'immediate' establishment of a panel?
- (a) 2/3rd majority voting procedure
 - (b) 3/4th majority voting procedure
 - (c) Positive consensus procedure
 - (d) Negative consensus procedure
10. If a decision to approve a specific loan proposal cannot be taken by consensus, by what majority the decision is required to be made at Joint Meeting of Members in accordance with Members' vote shares in IBD?
- (a) 2/3rd majority
 - (b) 3/4th majority
 - (c) 4/5th majority
 - (d) Simple majority

PART B

- 11.** The international disciplines on subsidies are covered in the following set of agreements:
- (a) The GATT, 1994, the SCM Agreement and the TBT Agreement
 - (b) The SCM Agreement, the Agreement on Agriculture and the SPS Agreement
 - (c) The GATT, 1947, the GATT, 1994, and the SCM Agreement
 - (d) The GATT, 1994, the SCM Agreement and the Agreement on Agriculture
- 12.** What is the most significant organ of the WTO, practically?
- (a) The Committee on Trade and Development
 - (b) The Ministerial Conference
 - (c) The General Council
 - (d) The Council for Trade in Goods
- 13.** According to the Panel in *Brazil–Aircraft* the ‘object and purpose’ of the SCM Agreement is:
- (a) To impose multilateral disciplines on subsidies that distort international trade
 - (b) To consider every government action or intervention as a subsidy that may distort trade
 - (c) To consider every government action or intervention as a subsidy with the potential to distort trade
 - (d) None of the above
- 14.** Which type of ‘specificity’ does the SCM Agreement not include?
- (a) Enterprise specificity
 - (b) Regional specificity
 - (c) Import based subsidization
 - (d) Local content based subsidization
- 15.** Under multilateral remedies for prohibited subsidies circulation of panel report is to be made within ----- days from the date of composition of the panel and establishment of terms of reference.
- (a) 80
 - (b) 90
 - (c) 110
 - (d) 120

16. Adverse effects do not include:
- (a) Injury
 - (b) Serious prejudice
 - (c) Nullification or impairment
 - (d) Internal displacement
17. Which of the following factors cannot be considered in imposing a countervailing measure under the SCM Agreement?
- (a) Subsidized imports
 - (b) Domestic injury
 - (c) Dumped imports
 - (d) Causation
18. The basic provision under the GATT, 1994 in accordance with which the initiation of a countervailing measure can be made is:
- (a) Article VI of the GATT, 1994
 - (b) Article VII of the GATT, 1994
 - (c) Article XVI of the GATT, 1994
 - (d) Article XIX of the GATT, 1994
19. Application of countervailing measures can be made against the measures which:
- (a) A State may initiate against another State when that other State has legally subsidised any of its domestic industries
 - (b) A State may initiate against another State when that other State has not subsidized any of its domestic industries
 - (c) A State may initiate against another State when that other State has illegally subsidised any of its domestic industries
 - (d) A State may initiate against another State when that other State has not illegally subsidized any of its domestic industries

20. Provisional measures under the SCM Agreement may be applied for a duration not exceeding:
- (a) Two months
 - (b) Three months
 - (c) Four months
 - (d) Six Months
21. The duration of a countervailing duty, in the absence of a review, in accordance with Article 21.3 of the SCM Agreement shall not be more than:
- (a) Four years
 - (b) Five years
 - (c) Six years
 - (d) Eight years
22. The WTO dispute settlement system serves to clarify the existing provisions of the covered agreements, including the SCM agreement, in accordance with:
- (a) Customary rules of interpretation of public international law
 - (b) Treaty rules of international law
 - (c) General principles of law recognized by civilized nations
 - (d) None of the above
23. How many panelists shall compose a panel, unless the parties to the dispute agree 'otherwise' within 10 days from the establishment of the panel?
- (a) Three
 - (b) Five
 - (c) Seven
 - (d) None of the above

24. Which of the following subsidies cannot alone be considered an export subsidy within the meaning of Article 3.1 of the SCM Agreement?
- (a) The provision by governments of direct subsidies to a firm or an industry contingent upon export performance
 - (b) Currency retention schemes or any similar practices which involve a bonus on exports
 - (c) Internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments
 - (d) A subsidy granted to enterprises which export goods
25. In *US–Countervailing Duty Investigation on DRAMs*, which of the following provisions of Article 1.1(a)(1) of the SCM Agreement was observed by the Appellate Body to be anti-circumvention provision?
- (a) A government practice involving a direct transfer of funds
 - (b) A government revenue that is otherwise due is foregone or not collected
 - (c) A government provides goods or services other than general infrastructure, or purchases goods
 - (d) A government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions mentioned above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by governments
26. Serious prejudice in the sense of paragraph (c) of Article 5 of the SCM Agreement may not arise in a case where one the following applies:
- (a) The effect of the subsidy is to displace or impede the imports of a like product of another Member into the market of the subsidizing Member
 - (b) The effect of the subsidy is to displace or impede the exports of a like product of another Member from a third country market
 - (c) The effect of the subsidy is the full or partial exemption, remission, or deferral specifically related to exports, of direct taxes or social welfare charges paid or payable by industrial or commercial enterprises
 - (d) The effect of the subsidy is a significant price undercutting by the subsidized product as compared with the price of a like product of another Member in the same market

27. Article XVI:3 of the GATT, 1994 applies to:
- (a) Local content subsidies
 - (b) Farm subsidies
 - (c) Export subsidies
 - (d) All of the above
28. For the purpose of Article 11.9 of the SCM Agreement, the amount of a subsidy is considered *de minimis* if the subsidy is less than ---- of the value of the subsidised product.
- (a) 1 per cent
 - (b) 2 per cent
 - (c) 3 per cent
 - (d) 4 per cent
29. During the determination of 'injury' to the domestic industry based on positive evidence, for objective examination of, *inter alia*, the effect of the subsidized imports on prices in the domestic market for like products, which one of the following factors does not fall under the consideration of the investigating authorities?
- (a) There has been a significant price undercutting by the subsidized imports as compared with the price of a like product of the importing Member
 - (b) The effect of subsidized imports is otherwise to depress prices to a significant degree
 - (c) There has been a significant increase in volume in subsidized imports, either in absolute terms or relative to production or consumption in the importing Member
 - (d) The effect of subsidized imports is to prevent price increases which otherwise would have occurred to a significant degree
30. When a countervailing duty is imposed in respect of a product under the SCM Agreement, which of the following reviews, if required, can be conducted by the Member State's authorities?
- (a) Expedited review
 - (b) Interim review
 - (c) Expiry review
 - (d) All of the above