

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY.

DEPARTMENT OF MANAGEMENT AND ECONOMICS.

SCHOOL OF BUSINESS AND ECONOMICS

SEPT.-DEC.2016: SEMESTER EXAMINATIONS

CENTRE: Main Campus

**ABA 422: INTERNATIONAL TRADE
BBA WITH IT**

EXAMINER: S.OYIEKE

Duration: 2 hours.

INSTRUCTIONS TO CANDIDATES

**Attempt three questions from this paper. Question ONE is compulsory.
Attempt any other two questions.**

QUESTION ONE

- a) Why is international trade an inevitable consequence of economic growth? **(10 marks)**
- b) Discuss the theory of comparative advantage **(10 marks)**
- c) Examine the different types of non-trade barriers. **(10 marks)**

QUESTION TWO

The commodity terms of trade have deteriorated against primary commodity trade. Discuss the effects of this in the volume and direction of trade for Kenya. **(20 marks)**

QUESTION THREE

- a) How has the dominance of China in the world trade influenced Africa's growth opportunities?
 - b) Discuss the main reasons for trade restrictions
- (10 marks each)**

QUESTION FOUR

- a) What do you understand by exchange control? **(6 marks)**
- b) Briefly discuss the various methods of foreign exchange controls? **(6 marks)**
- c) Discuss some of the challenges of the East African common markets? **(8 marks)**

QUESTION FIVE

- a) Kenya's largest trading block is Europe under the African Caribbean Pacific (ACP) trade agreement under the Common Wealth. With Britain exiting the European Union, this trade is threatened. Discuss the way forward in the post Brexit for the African countries **(10 marks)**
- b) Discuss the problems with the instruments of trade restriction for developing countries. **(10 marks)**

