



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2019/2020 ACADEMIC YEAR**

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**COURSE CODE: ABA 422**

**COURSE TITLE: International Trade**

**EXAM VENUE:**

**STREAM: (BBA FINANCE)**

**DATE:**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**Instructions:**

- 1. Answer questions ONE and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

### **Question one**

- a) Explain the types of tariffs (6 marks)
- b) Define the term trade liberalization. (4 marks)
- c) In the context of trade liberalization, explain how the government can influence and promote trade in your country. (10 marks)
- d) Discuss the role of trade (10 marks)

### **Question two**

- a) Distinguish between the theory of comparative advantage and absolute advantage (10 marks)
- b) What is opportunity cost (4 marks)
- c) Differentiate between international trade and bilateral trade (6 marks)

### **Question three**

An import quota is a more restrictive trade barrier than an equivalent import tariff, discuss

(20 marks)

### **Question four**

- a) Explain what is meant by dumping. (2 marks)
- b) Discuss the forms of dumping (9 marks)
- c) Discuss the arguments for trade restrictions (9 marks)

### **Question five**

- a) What do you understand by the term custom union (3 marks)
  - b) Explain the primary objectives of the European Economic Community (5 marks)
  - c) State and explain the factors influencing exchange rates (12 marks)
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