

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCE

BIBM III

SEMESTER TWO 2021/2022

COURSE UNIT: INTERNATIONAL TRADE THEORY

CODE: - IBM 3203

DATE: 18TH JULY, 2022

TIME: 2:00 AM -5:00 PM

Instructions:

- ✓ Attempt four questions in all
- ✓ Credit shall be given for the use of relevant examples and illustrations.
- ✓ Do not write anything on the question paper.

Question One

(a) Describe what is entailed in:

- (i) Trade in goods (3 marks)
- (ii) Trade in services (3 marks)
- (iii) Trade related aspects of intellectual property rights (3 marks)

According to the World Trade organization

(b) Discuss at least 8 benefits of the multilateral trading system as described within the WTO
(16 marks)

Question Two

(a) Outline the key issues put forward by the mercantilism theory of international trade (10 marks)

(b) Discuss the merits associated with protectionism in international trade (15 marks)

Question Three

(a) Provide a detailed distinction between comparative advantage and porters competitive advantage theory highlighting the key issues stated in each theory
(10 marks)

(b) Examine the assumptions and limitations of the comparative advantage theory (15 marks)

Question Four

(a) Describe the basic principles of the following (15 Marks)

- (i) National treatment
- (ii) Most Favored Nation (MFN)
- (iii) Promoting fair competition

According to the World Trade Organization (WTO)

(b) Examine the functions of the World Trade Organization (10 marks)

Question Five

(a) Describe the basic principles of the following (15 Marks)

- (i) National treatment
- (ii) Most Favored Nation (MFN)

(iii) Promoting fair competition

According to the World Trade Organization (WTO)

(b) Examine the functions of the World Trade Organization (**10 marks**)

Question Six

(a) Describe composition of a Balance of Payment account (**10 marks**)

(b) Account for the continued occurrence of Balance of payment deficits in Uganda (**15 marks**)

END