

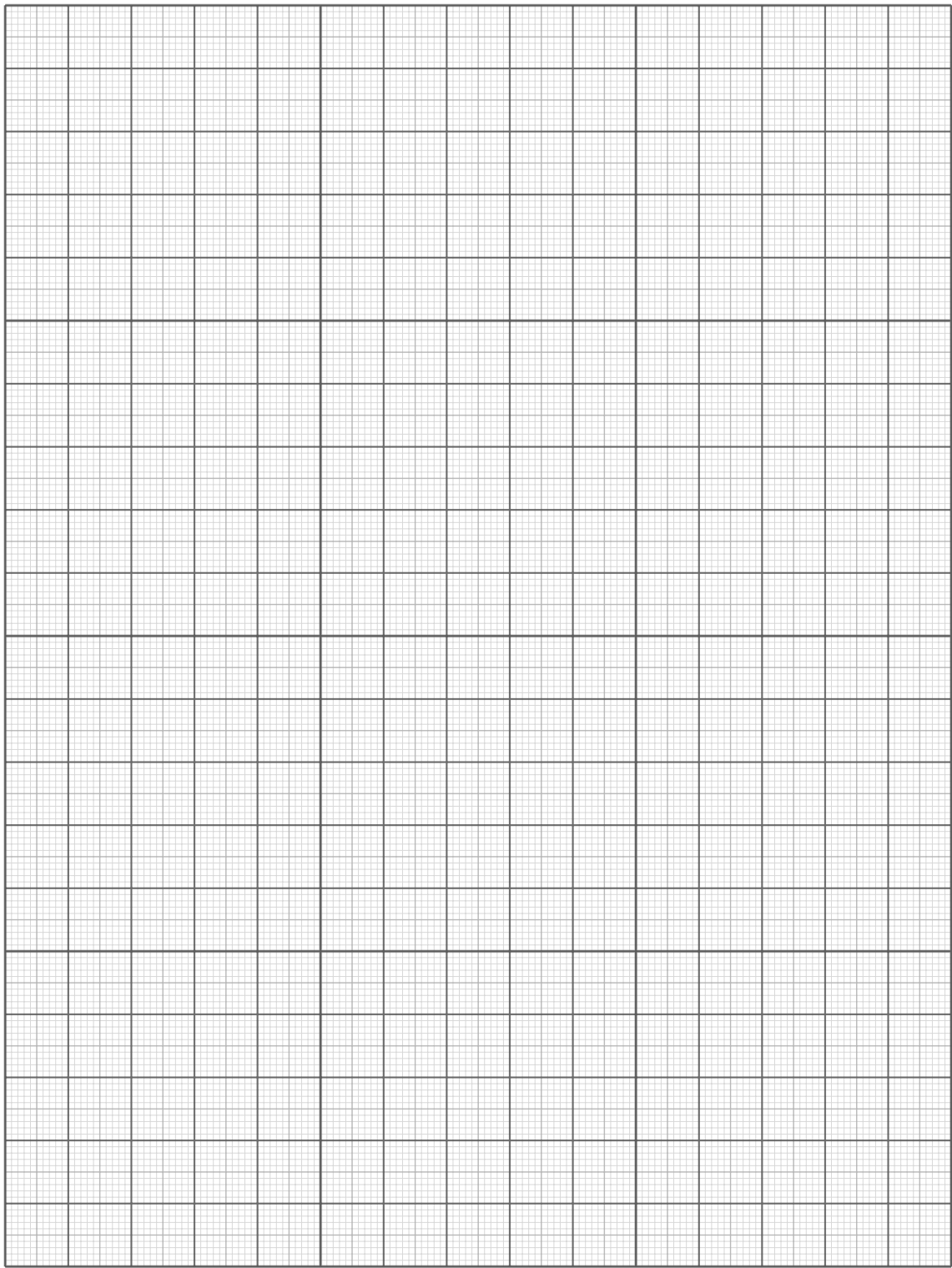
International trade and agricultural development

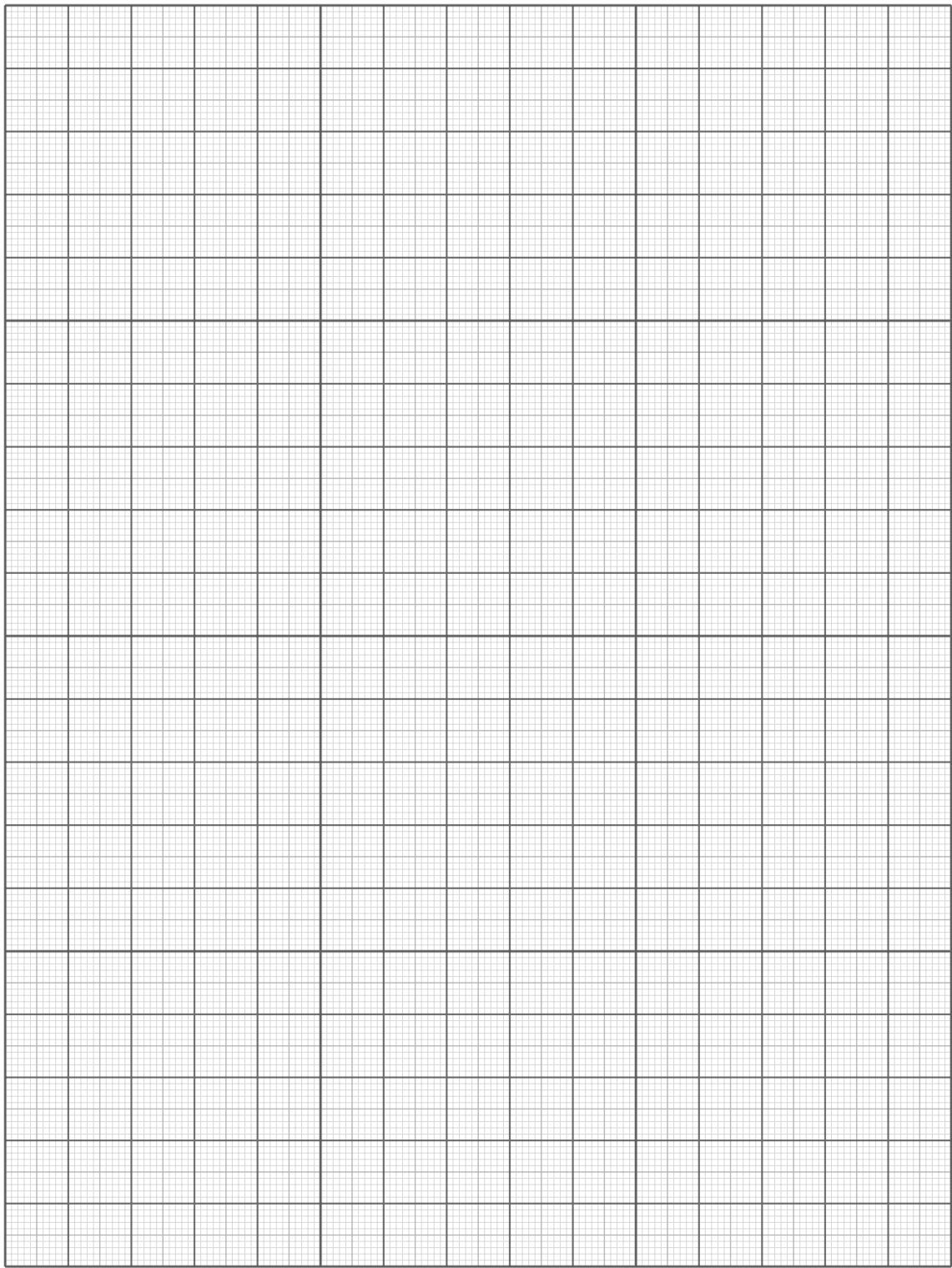
Instructions

The Exam is worth 20% There are three (3) questions. Answer the questions in the spaces provided on the question sheets. If you run out of room for an answer, continue on the back of the page. Show working for all answers. Please note graph paper is attached.

Questions

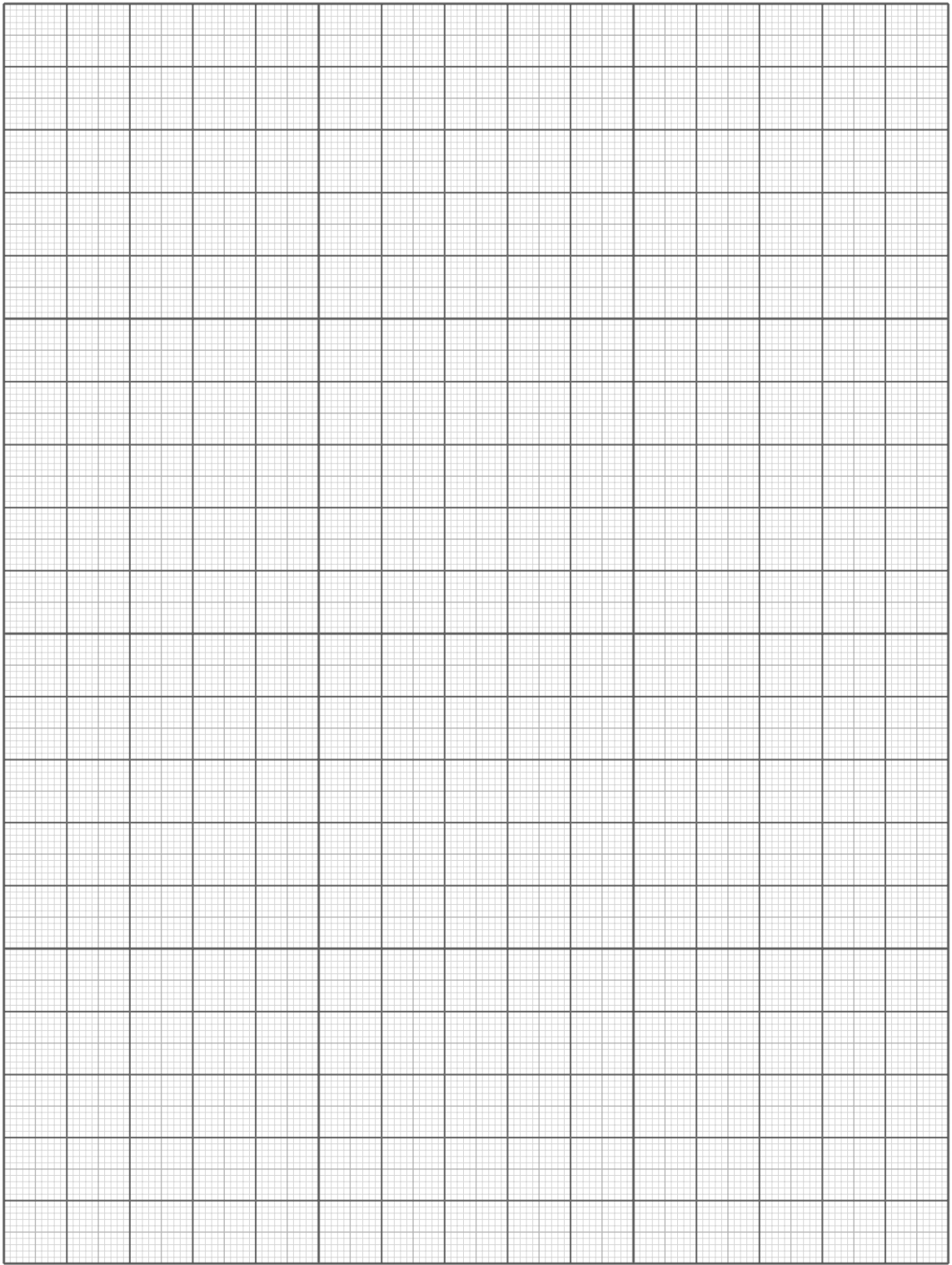
1. Using the Heckscher-Ohlin model explain what would happen to the agricultural sector of an economy of a country opened up to trade such as a developing country. Explain impacts on factor movements between sectors and on factor prices. Illustrate you answer graphically where possible. (10 points)

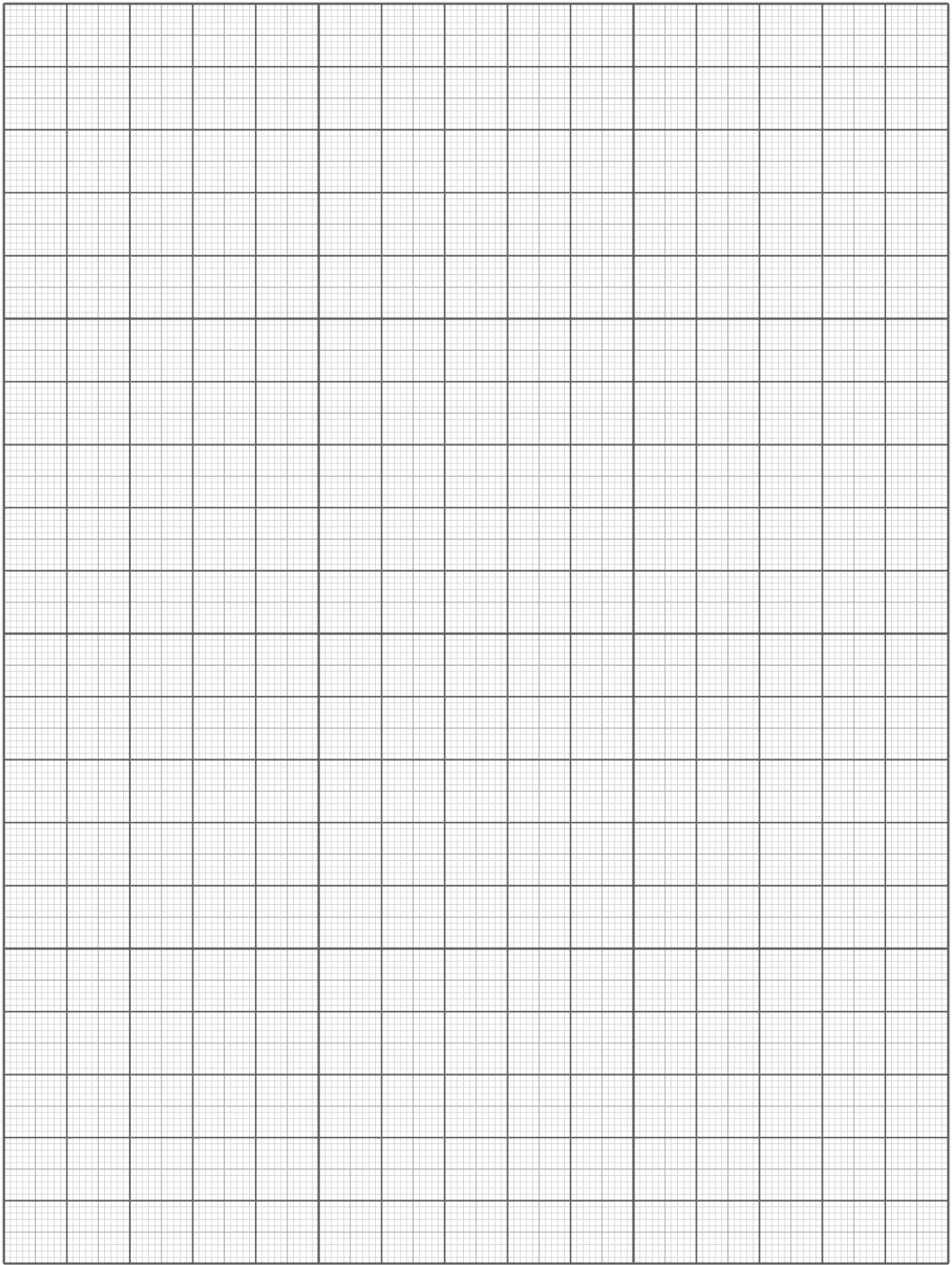




2. What impact would an increase in the population have on an economy? Explain your answer in words and graphs using the graph paper provided. (5 points)

Answer:





3. Explain under what circumstances the gains from trade may NOT occur. Illustrate your answer graphically on the graph paper provided. (5 points)

Answer:

