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FACULTY OF MANAGEMENT SCIENCES  
DEPARTMENT OF ECONOMICS  
2006/2007 RAIN SEMESTER EXAMINATIONS  
ECO 316: INTERNATIONAL ECONOMICS

ATTEMPT ALL QUESTIONS IN SECTN A & B and ONE in C

TIME ALLOWED: ONE HOUR

SECTION A

- (1) The subject matter of international economics are the pure theory of trade, ..... , balance of payment and adjustment to balance of payment.
- (2) Balance of payment theory and adjustment to balance of payment represent the ..... economic aspect of international economics (Hint: micro or macro)
- (3) The most important factor in mercantilisms is the acquisition of .....
- (4) The major theory used as basic assumption in the explanation of the theory of comparative advantage is .....
- (5) The theory that considered the difference in factor supply and international productivity is .....
- (6) According to Richardo's comparative advantage theory, a country should import the commodity in which its comparative disadvantage is ..... (Hint: higher or less)
- (7) Under the H.O. model, for profitable trade to occur, the international price ratio must settle somewhere between the ..... in the two countries.
- (8) A biased growth that causes a deterioration in the terms of trade is called .....
- (9) The two types of tariff are ..... And .....
- (10) ..... is a situation where the government is the sole authorized importer of a particular good.
- (11) ..... is a situation in which government is a large consumer of certain good and buys from the domestic producer.
- (12) The loosest form of economic integration is .....
- (13) The three forms of BOP dis-equilibrium are ..... , ..... and .....
- (14) The major types of transaction being taken into consideration in computing BOP are ..... and .....
- (15) All transaction leading to an inflow of payments are recorded as ..... and those leading to an inflow of payments are recorded as .....

SECTION B

- (1) Mention 4 forms of economic integration you know ✓
- (2) Mention any 5 items that enter into the balance of payment account.
- (3) Mention 3 types of terms of trade you known
- (4) ✓ Mention 5 forms of trade protection you know

SECTION C

- (1) Highlight the factors responsible for the persistent balance of payment dis-equilibrium in Nigerian.
- (b) Suggest measures to alleviate the above problems
- (2a) State the assumptions upon which the theory of comparative advantage is based.
- (b) If free trade maximizes world welfare, why then do countries engage in import restriction?