

UNIVERSITY OF WARWICK	
Department	Economics
Level	M1 (PGT)
Module Code	EC931
Module Title	International Trade
Exam Paper Code	EC9310
Exam Paper Title	International Trade
Duration	2 Hours
Exam Paper Type	Fixed time

STUDENT INSTRUCTIONS

1. Read all instructions carefully. We recommend you read through the entire paper at least once before writing.
2. There are **FIVE** questions in this paper. Answer **TWO** questions only (50 marks each).
3. You should not submit answers to more than the required number of questions. If you do, we will mark the questions in the order that they appear up to the required number of questions in each section.
4. The number of marks available for a question will be stated at the end of each question.
5. Candidates **must** type their answer for each question into this Word document. Under each question, there is a text box, which will expand as you write. Once you have completed your assessment, you must upload it as a Word document using the AEP.
6. If you need to include complex figures or lengthy mathematical equations/expressions etc. in your answer, you should draw them by hand: this does NOT apply to individual symbols within your typed text as these should be incorporated into your text using equation editor/math type or via inserting symbols. Where you have produced a handwritten figure, you should use only short handwritten labels or titles to accompany it – longer text should be typed. Handwritten figures/equations etc. must then be scanned or photographed and the images inserted into the Word document in the correct place. For each image, you are advised to include a reference to the question number and to check that you have inserted it in the correct text box for the corresponding question.
7. Where you write anything by hand, please ensure you write legibly, preferably in dark blue or black ink. If you use a pencil, please ensure it is not too faint to be captured by scan or photograph. It is your responsibility to ensure your work can be read by the marker.

8. You are advised to save your work as you go. You are also asked to compress the images you upload to the Word document.

Steps for compressing images in a Word document

- a. Click File
- b. On Windows click 'Save As'
 - i. Under 'Other Locations' click 'Browse'
 - ii. Click Tools > Compress Pictures (located bottom right)
- c. On MacOS click 'Reduce File Size'
- d. Select 'Delete cropped areas' and 'E-mail (96 ppi)', click 'OK'
- e. Save the document

9. Add your student number to all uploaded files.

10. Calculators are permitted. You are allowed to access module materials, notes, resources, references and the internet during the assessment. Students should remember that all work must still be their own. You are not permitted to copy any material without referencing, as this will constitute plagiarism and penalties will be applied accordingly.

11. You must not communicate with any other candidate during the assessment period, unless instructed to do so as part of the assessment requirements. To ensure academic integrity:

- Every exam script will be scanned by Turnitin;
- The Department may also use other means to ensure academic integrity.

12. By starting this exam paper, you are declaring yourself fit to undertake it. You are expected to make a reasonable attempt at the exam paper by answering the questions in the paper.

IMPORTANT INFORMATION

- We strongly recommend you use Google Chrome or Mozilla Firefox to access the Alternative Exams Portal.
- You must have completed and uploaded the assessment within the period of time provided.
- You are granted an additional 45 minutes beyond the stated duration (2 hours) of this exam to allow for downloading/uploading your exam paper, your files and any technical delays.
- Late submissions are not accepted. Once started, you must complete the exam paper

within 2 hours (+45 minutes upload/download time).

- Students with approved Alternative Exam Arrangements (Reasonable Adjustments) that permit extra time and/or rest breaks will have this time added on to the stated duration.

SUPPORT DURING THE ASSESSMENT

Operational Support

- Use the Alternative Exams Portal to **seek advice immediately if during the assessment period:**
 - you cannot access the online assessment
 - you believe you have been given access to the wrong online assessment

Operational support will be available between 09:00 and 17:00 GMT for each examination (excluding Sunday).

Technical Support

- If you experience any technical difficulties with the Alternative Exam Portal please contact helpdesk@warwick.ac.uk
- If you experience technical difficulties with Moodle please contact moodle@warwick.ac.uk
- If you experience technical difficulties with Questionmark Perception (QMP) please contact eassessment@warwick.ac.uk
- If you experience technical difficulties with myWBS, please contact exams@wbs.ac.uk

Technical support will be available between 09:00 and 17:00 GMT for each examination (excluding Sunday).

Academic Support

- If you have an academic query, contact the invigilator (using the 'Contact an Invigilator' tool in AEP) to raise your issue. Please be aware that two-way communication in AEP is not possible. An invigilator may choose to make an announcement that all candidates can see on AEP.
- Academic support will normally be provided for the duration of the examination (i.e. for a 2 hour (+45 min) exam starting at 09:00 GMT/BST, academic support would normally be provided between 09:00 and 11:45 GMT/BST). Academic support beyond

this time is at the discretion of the department

Other Support

- Contact your **department immediately via the Tabula [mitigating circumstances portal](#) if you cannot complete your exam by the submission deadline and you must upload your exam paper to your claim.** This might include any of the following reasons:
 - you lose your internet connection
 - your device fails
 - you become unwell and are unable to continue
 - you are affected by circumstances beyond your control

YOU MUST FILL IN ALL SECTIONS BELOW

University Registration Number	
Code	
Year of Study	
Programme of Study	
Date	

Enter here the numbers of all the questions you have answered.

For examiner use only									

Total:	Moderation:

Answer TWO questions ONLY

1. (a) What are the main determinants of international trade that have been identified in the literature? Explain. (20 marks)	
Answer:	
Marker	
Moderator	
(b) What are the main potential sources of gains from trade? Explain. (20 marks)	
Answer:	
Marker	
Moderator	
(c) Under what condition can trade between identical countries take place and be mutually beneficial? Explain. (10 marks)	
Answer:	
Marker	
Moderator	

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2. (a) What is an import tariff? How does it affect trade and the distribution of welfare between producers and consumers in the domestic economy? Explain. (20 marks)	
Answer:	
Marker	
Moderator	
(b) What is an import quota? How does it affect trade and the distribution of welfare in the domestic economy? Explain. (20 marks)	
Answer:	
Marker	
Moderator	
(c) In the context of a neoclassical trade model, can export subsidies be rationalised on the basis of welfare maximization for the exporting country? Explain. (10 marks)	
Answer:	
Marker	

Moderator	
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3. With reference to the trade models that you have studied, describe and discuss the following possible effects of trade barriers:

(a) Pro-competitive effects. **(10 marks)**

Answer:	
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Moderator	
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(b) Rationalisation of production. **(10 marks)**

Answer:	
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(c) Variety effects. **(10 marks)**

Answer:	
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(d) Profit-shifting effects. **(10 marks)**

Answer:	
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(e) Tariff-jumping via relocation of production. **(10 marks)**

Answer:	
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Moderator	
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4. (a) Describe the “gravity equation” in international trade, explaining its meaning and discussing the conditions under which a trade model can deliver gravity predictions. (25 marks)	
Answer:	
Marker	
Moderator	
(b) Are gravity patterns in trade consistent with trade being driven by comparative advantage? Explain. (10 marks)	
Answer:	
Marker	
Moderator	
(c) Provide an example of how the gravity equation can be used in empirical analysis. (15 marks)	
Answer:	
Marker	
Moderator	

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5. (a) Describe and contrast the different forms a regional preferential trade agreement can take, highlighting the key institutional differences between them and the potential consequences of such differences. (20 marks)	
Answer:	
Marker	
Moderator	
(b) How does preferential trade integration affect welfare for the countries involved? Explain. (20 marks)	
Answer:	
Marker	
Moderator	
(c) Does regional trade integration help or hinder multilateral trade liberalisation? Explain. (10 marks)	
Answer:	
Marker	

Moderator	
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End

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