



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**SEPTEMBER/OCTOBER 2015 EXAMINATION**

**COURSE CODE:** ENT322                      **CREDIT UNIT:** 2  
**COURSE TITLE:** PRINCIPLES AND PRACTICE OF INTERNATIONAL  
TRADE  
**TIME ALLOWED:** 2 HOURS  
**INSTRUCTIONS:** 1. Attempt question number one (1) and any other (2)  
questions.  
2. Question number 1 carries 30 marks, while the other two  
questions carry 20 marks each.  
3. Present all your points in coherent and orderly manner

**QUESTION 1**

- a. Critically distinguish between a country's absolute advantage and factor endowment. Give examples to support your answer. 10MARKS
- b. Highlight the features of the World Trade Organization. 5 MARKS
- c. Using examples, describe how the World Trade Organization can settle a dispute between nations. 5MARKS
- d. Give a detailed analysis of the legal instrument in the Uruguay Round. 10 MARKS

**QUESTION 2.**

- a. Discuss the following negative economic effects on nations. Use real life scenarios to support your answers.
  - i. Immiserising Growth 5marks
  - ii. The Dutch Disease. 5marks
- b. There are five theories in International Trade. Choose three and discuss them extensively. 10 MARKS

**QUESTION 3.**

- a. Using Nigeria as a case study, describe the concept of Protectionism. 5MARKS
- b. What kinds of instruments are implemented in this industry? 5MARKS
- c. Give a detailed explanation of Systemic issues identified in the Uruguay Round of the GATT negotiation. 10 MARKS

**QUESTION 4**

- a. Clearly identify the main objectives of the developed countries anti-free trade policies. 5 MARKS
- b. Discuss extensively the economic and qualitative arguments for free trade. 15 MARKS

**QUESTION 5**

- a. Identify and briefly discuss the third world reform programs proposed to the World Trade Organization. 15 MARKS
- b. With the Nigerian Structural Adjustment Program as an example, explain the concept of a Hybrid Exchange-Rate regime. 5 MARKS