



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
MARCH 2014 EXAMINATIONS**

COURSE CODE: ENT 322 **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 two (2).

2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each

3. Present all your points in coherent and orderly manner

QUESTION 1

Examine critically, any three of the following Theories of International Trade:

- A. The Theory of Absolute Advantage
- B. The Theory of Comparative Advantage
- C. The Rent for Surplus Theory
- D. The Theory of Factor Proportions
- E. Competitive Advantage of Nations

QUESTION 2

- A. List six benefits of the World Trade Organisation (WTO)
- B. In what areas do the Governments of importing countries control the World Trade Organisation?

QUESTION 3

- A. Briefly examine some of the negative effects of International Trade.
- B. Discuss briefly, five importance of International trade.

QUESTION 4

- A. Make a case for Protectionism.
- B. List five instruments of International Trade protection and promotion.
- C. Advance briefly, an Economic argument for free trade

QUESTION 5

- A. Enumerate three third world programme for the reform of the World Trade Organisation (WTO)
- B. Explain the concept of free exchange rate market.
- C. What do you understand by Merchandise Trade Account?

GOOD LUCK