



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

COURSE CODE: ENT318 CREDIT UNIT: 2

COURSE TITLE: FINANCE OF INTERNATIONAL TRADE

TIME ALLOWED: 2 HRS

- 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 a coherent and orderly Manner.**

Question 1a. Define concepts liquidity, liquid assets and international liquidity.
b. Describe briefly the different methods of foreign market entry.

Question 2a. What is the difference between terms of trade and restriction in international trade?

b. List and discuss some of the factors which can affect a country's terms of trade.

Question 3a. In your own words, define the following concepts and show the area of convergence:

3b. List and discuss some of the reasons why countries engage in international trade.

Question 4. What are the responsibilities of banks in a documentary collection transaction?

Question 5a. List and discuss some of the reasons why countries engage in international trade.

5b. differentiate between international trade and domestic trade.