



**CRAWFORD UNIVERSITY, FAITH CITY, IGBESA OGUN STATE**

**TITLE OF EXAMINATION: BSC EXAMINATION**  
**COLLEGE: BUSINESS AND SOCIAL SCIENCES**  
**SESSION: 2017/2018 SEMESTER: HARMATTAN**  
**COURSE: FIN409 INTERNATIONAL FINANCE I**

**INSTRUCTIONS:** (i) Answer any three (3) questions  
(ii) Time Allowed: 2 Hours

**QUESTION ONE**

Mr. Chris Chukwu a business man of 35 years old, who sells electronics at Oke Arin Lagos by buying from agent importers, has decided to be importing the goods direct from china in order to improve his margin. He has come to you for advice because he learnt there are some difficulties associated with International Trade.

You are required to explain to him what these difficulties are and the ways out **(20marks)**

**QUESTION TWO**

- a. Define inter-regional trade and international trade **(2marks)**
  - b. What are the differences between inter-regional and international Trade? **(12marks)**
  - c. What are the similarities between inter-regional and international trade? **(6marks)**
- Total = 20marks**

**QUESTION THREE**

- a. Explain Ricardo's theory of comparative differences in costs **(5marks)**
  - b. With relevant diagrams explain this theory in full **(15marks)**
- Total = 20marks**

**QUESTION FOUR**

- a. What do you understand by terms of trade? **(3marks)**
  - bi. Taking 2003 as the base year and expressing Nigeria's both export prices and import prices as 100, if we find that by the end of 2007 its index of export prices had fallen to 90 and the index of import prices has risen to 110. What has happened to the commodity or the barter terms of trade within the period. **(3 marks)**
  - bii. If the index of export prices had risen to 180 and that of import prices to 150. What can you say about changes in the terms of trade **(3 marks)**
  - c. Explain ten (10) factors that can affect terms of trade **(11 marks)**
- Total = 20marks**

**QUESTION FIVE**

- a. Differentiate between methods of payment and methods of settlement **(5marks)**
  - b. Describe three (3) methods of payments that are common in practice **(15marks)**
- Total = 20marks**