



CRAWFORD UNIVERSITY

FAITH CITY, IGBESA

COLLEGE OF BUSINESS AND SOCIAL SCIENCES

DEPARTMENT OF ADMINISTRATION AND MANAGEMENT

RAIN SEMESTER EXAMINATIONS 2022/2023 SESSION

BUS 420: INTERNATIONAL ECONOMICS TIME ALLOWED: 2HRS. 30MINS. 3UNITS

INSTRUCTION: Answer any four (4) questions.

1. a. Define the concept of international economics. (5mks)
b. Discuss any Five (5) Commercial policy instruments that the Nigerian authorities use as control measures for foreign trade. (10mks)
Total = 15
2. a. Discuss the focus of 'Pure theory of trade' in the study of international economics. (5mks)
b. Using the principle of opportunity cost, graphically establish that a country benefits from international trade. (10mks)
Total = 15
3. a. Present the mercantilist's view on trade (5mks)
b. Define the theory of 'absolute' cost advantage of international trade. (5mks)
c. Discuss any Two (2) limitations of the theory mentioned in 'a' above. (5mks)
Total = 15
4. a. Distinguish between the concepts: 'Trade Diversion' and 'Trade Creation' (6mks).
b. Examine any Three (3) factors that makes a group of countries unite and form a regional trade union (9mks)
Total = 15
5. a. Discuss any Five (5) levels of economic integration. (10mks)
b. Give THREE (3) reasons why IMF allows Nigeria to practice multiple exchange rate system. (3mks)
Total = 15
6. a. Distinguish between the concepts 'Fixed Exchange Rate' and 'Floating Exchange Rate' regimes in an economy. (5mks)
b. Differentiate between these concepts in the Foreign Exchange Market:
 - i. Spot rate and Forward rate (5mks)
 - ii. Destabilising Speculations and Stabilising Speculation (5mks)Total = 15