



CRAWFORD UNIVERSITY

FAITH CITY, IGBESA

COLLEGE OF BUSINESS AND SOCIAL SCIENCES

DEPARTMENT OF ADMINISTRATION AND MANAGEMENT

RAIN SEMESTER EXAMINATIONS 2021/2022 SESSION

COURSE CODE: BUS 420:

COURSE TITLE: INTERNATIONAL ECONOMICS

TIME ALLOWED: 2HRS. 30MINS.

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. Distinguish between "Absolute Cost Advantage" and "Comparative Cost Advantage" theories of International Trade. (5mks)
 - c. Discuss any Two (2) limitations of the theory mentioned in '3b' 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. Identify Five (5) elements that constitute the Balance of Payment (BOP) statement. (5mks)
 - b. Discuss any Five (5) levels of economic integration. (10mks)

Total = 10
6. Distinguish between the following concepts of the foreign exchange market.
 - a. Devaluation of currency and Depreciation of currency. (5mks)
 - b. Destabilising Speculations and Stabilising Speculations. (5mks)
 - c. Spot rate and Forward rate. (5mks)

Total = 15