



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, Cadastral Zone, NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
2021_1 EXAMINATION 1234

Course Code: BUS 726

Course Title: GLOBAL ECONOMIC ENVIRONMENT

Credit Unit: 2

Instructions: 1. Indicate your Matriculation Number clearly
2. Attempt Question 1 and any other two (2) questions
3. Question 1 is compulsory and carries 30marks while the other 2 questions carry 20marks each
4. Present all your points in coherent and orderly manner

Time Allowed: 2 Hours

1. (a) Discuss Ricardian model of comparative advantage
(18 marks)

(b) Highlight four assumptions of Heckscher Ohlin (H-O) model
(12 marks)
2. Briefly explain five Features of Free Trade
(20 marks)
3. What do you understand by the term tariff? Why Are Tariffs and Trade Barriers used in international trade?
(20 marks)
4. Enumerate the advantages and disadvantages of a Free Market Economy
(20 marks)