



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS**

**COURSE TITLE: INTERNATIONAL ECONOMICS**

**COURSE CODE: ECO 344**

**UNITS: 3**

**TIME ALLOWED: 3HOURS**

**INSTRUCTION: ANSWER FOUR (4) QUESTIONS. ALL QUESTIONS CARRY  
EQUAL MARKS**

**QUESTION ONE**

- (a). Briefly explain the term “international trade”. **(2.5 Marks)**
- (b) Identify and discuss the importance of international trade. **(15 marks)**

**QUESTION TWO**

- (a) Briefly explain the term ‘gain from trade’. **(2.5 marks)**
- (b) Identify and discuss factors which determines the gains from international trade. **(15 marks)**

**QUESTION THREE**

Identify and discuss the consequences of international trade. **(17.5 marks)**

**QUESTION FOUR**

- (a) Identify and discuss the assumptions of the Heckscher – Ohlin theory of factor endowment. **(12 marks)**
- (b) Clearly explain Production Possibility Frontier **(5.5 marks)**

**QUESTION FIVE**

- (a) What do you understand by the pattern of trade? **(7 marks)**
- (b) Explain briefly the concept of factor endowment **(10.5 marks)**

**QUESTION SIX**

Write short note on the following:

- (a) Gains from exchange **(4.3 marks)**
- (b) Gains from trade **(4.4 marks)**
- (c) Factor market distortion **(4.4 marks)**
- (d) Factor price equalization **(4.4 marks)**