



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2023_1 POP EXAMINATION.**

COURSE TITLE: INTERNATIONAL TRADE AND FINANCE I

COURSE CODE: ECO 445

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER THREE (3) QUESTIONS. QUESTION ONE IS COMPULSORY.

1(a) A non-tariff barrier is a form of restrictive trade where barriers to trade are set up other than a tariff. Enumerate and explain five (5) types of this form of restrictive trade. **(10marks)**

1(b) Why is International trade important to a country like Nigeria? **(10marks)**

1(c) With the aid of diagram(s) where applicable, briefly explain these terms (i) The Production Possibility Curve (ii) The Edgeworth Box (iii) Retail trade (iv) Tariff (v) Gross barter terms of trade. **(2marks each)**

2(a) What are the implications and assumptions of Adam Smith's theory of absolute cost advantage? **(10marks)**

2(b) Give five (5) major drawbacks of the Ricardian theory of comparative cost advantage. **(10marks)**

3(a) Is International trade different from Internal trade? Give five (5) reasons for your answer. **(10marks)**

3(b) International trade is very beneficial to countries, however it has its demerits. What are these demerits? **(10marks)**

4(a) What is "dumping"? Discuss at least three (3) types of dumping you know. **(10marks)**

4(b) Differentiate between tariff and non-tariff trade barriers. **(10marks)**