



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024_2 EXAMINATION**

COURSE TITLE: INTRODUCTION TO INTERNATIONAL ECONOMICS
COURSE CODE: ECO 344
CREDIT UNITS: 3 UNITS
TIME ALLOWED: 3 HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER THREE (3) QUESTIONS

QUESTION ONE

- 1a.** Appraise the meaning of production possibility frontier (PPF) as it relates to trade
(8 marks)
- 1b.** Describe the three (3) conditions that determine general equilibrium in a closed economy
(9 marks)
- 1c.** Succinctly explain the meaning of gain from specialisation in international trade
(8 marks)

QUESTION TWO

Modern international trade is characterized by specialization and exchange. Discuss!
(15 marks)

QUESTION THREE

- 3a.** Discuss any three (3) reasons why the global economy needs to be integrated through trade?
(8 marks)
- 3b.** Distinguish between the Residual-claimant theory and Bargaining theory
(7 marks)

QUESTION FOUR

- 4a.** Differentiate between comparative advantage and absolute advantage in international trade
(8 marks)
- 4b.** State the three (3) assumption of Heckscher-Ohlin about production characteristics of trading countries.
(7 marks)

QUESTION FIVE

- 5a.** Carefully appraise the concept of factor endowments in global trade
(7 marks)
- 5b.** Examine the main claims of the Stolper-Samuelson theorem in relation to trade
(8 marks)