



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
2025\_2 EXAMINATIONS**

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**COURSE TITLE: INTERNATIONAL TRADE AND FINANCE I**

**COURSE CODE: ECO 445**

**UNITS: 2**

**TIME ALLOWED: 2 HOURS**

**INSTRUCTION: ANSWER THREE (3) QUESTIONS. QUESTION ONE (1) IS COMPULSORY.**

**Question1 (a):** Briefly define any five (5) of the following concepts. (10 marks)

(i) The Edgeworth Box (ii) Entre-port (iii) Letter of Credit (iv) Balance of Trade (BOT) (v) Dumping (vi) Non-Tariff Controls

**Question 1(b):** International trade is beneficial in many ways however, it also has its drawbacks. Explain six (6) benefits and four (4) drawbacks of international trade. (20 marks)

**Question 2(a):** With the aid of a diagram, highlight the various forms of risk involved in international trade. (6 marks)

**Question 2(b):** Export and import are essential for the economic growth of a country like Nigeria. Discuss. (14 marks)

**Question 3(a):** State and briefly explain eight (8) ways trade within a country is different from trade between countries. (16 marks)

**Question 3(b):** In an international transaction, bank charges usually arise not only in a seller's country but in a buyer's country as well. Briefly explain four (4) categories of bank charges. (4 marks)

**Question 4(a):** Define Balance of Payment (BOP) and explain its components. (5 marks)

**Question 4(b):** State five (5) importance of trades carried out across international boundaries. (5 marks)

**Question 4(c):** The Heckscher-Ohlin theory of international trade is seen as an improvement of the classical theory of international trade, however it has its failings. Briefly discuss ten (10) of these failings. (10marks)