

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2014/2015 ACADEMIC YEAR**

**FOURTH YEAR FIRST SEMESTER EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF ARTS (ECONOMICS)**

**COURSE CODE: ECO 414**

**COURSE TITLE: INTERNATIONAL ECONOMICS 1**

**INSTRUCTIONS:**

Answer question **ONE** and any other **THREE** questions.

**QUESTION ONE**

1. Explain various factors that determine the size of gains of trade of a country. (10 marks)
2. Explain the scope of international economics. (7 marks)
3. Give your understanding of the following concepts: (6 marks)
4. Globalization
5. Export promotion
6. Technology transfer
7. Regional blocks
8. Domestic trade
9. Autarky
10. Distinguish between; common market and common union. (2 marks)

**QUESTION TWO**

1. Give your understanding of international commodity agreement. (3 marks)
2. Give a critical evaluation on international commodity agreement. (12 marks)

**QUESTION THREE**

Provide a critical assessment on the H-O (Heckscher-Ohlin) model of international trade. (15 marks)

**QUESTION FOUR**

1. Describe the factors that affect terms of trade in Kenya. (10 marks)
2. Explain the different kinds of terms of trade. (5 marks)

**QUESTION FIVE**

1. Provide an analytical view on free trade policy of international trade. (8 marks)
2. Explain the international economic problems related to international trade operations. (7 marks)

**QUESTION SIX**

1. Explain important distinct features of international trade. (11 marks)
2. Show the model that explains an open economic system. (4 marks)