NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION
2025_2 EXAMINATIONS

COURSE CODE: BUS847 **CREDIT UNIT: 2**
COURSE TITLE: GLOBAL ECONOMIC ENVIRONMENT

Instructions:
1. **Indicate your Matriculation Number clearly**
2. **Attempt Question 1 and any other two (2) questions; making 3 questions.**
3. **Question 1 is compulsory and carries 30 marks while the other 2 questions carry 20 marks each.**
4. **Present all your points in coherent and orderly manner**

TIME ALLOWED: 2 HOURS

QUESTION ONE (COMPULSORY)

The global economy is different from a national economy because it involves a unified market for all global goods and services. Discuss any five (5) of its characteristics.

(30 marks)

QUESTION TWO

Free trade requires a government not to discriminate against imports or interfere with exports through tariffs on imports or subsidies no exports and quotas. Espouse five (5) implications of such stance in international trade. **(20 marks)**

QUESTION THREE

The World Trade Organization (WTO) has been established to deal with global rules of trade between nations while it ensures that trade flows as smoothly, predictable and freely as possible. Clarify any ten (10) various ways in which the organization is useful to the world economy.**(20 marks)**

QUESTION FOUR

a) Chief Nelson is a local businessman. While in dire need of working capital, he applied and obtain some funds but he discovered an item in his statement of his bank account bearing interest. He approached you for enlightenment on such item. Educate him about interest on loan. **(5 marks)**

b) Distinguish between Classical Time Preference Theory and Liquidity Preference Theory as theoretical bases of interest rate. **(15 marks)**