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

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)