

15



(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2021 / 2022 ACADEMIC YEAR

FOURTH YEAR 2ND SEMESTER
MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGRICULTURE
ECONOMICS AND RESOURCE MANAGEMENT

COURSE CODE: AEC 427
COURSE TITLE: AGRICULTURAL TRADE AND
INTERNATIONAL ECONOMICS

DATE: 5TH SEPTEMBER 2022

TIME: 2 – 4 PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other TWO Questions.

TIME: 2 Hours

This paper consists of 2 printed pages. Please Turn Over



KIBU observes ZERO tolerance to examination cheating

QUESTION ONE

- a. Define the following terms **(10 Marks)**
- (i) globalization
 - (ii) international marketing
 - (iii) non- tariff barriers
 - (iv) capital mobility
 - (v) balance of payments
- b. Outline the factors that give countries comparative advantage **(10 Marks)**
- c. Economic integration can be classified into five additive levels, briefly discuss these levels **(10 Marks)**

QUESTION TWO

- a. Tariffs are the most common type of trade restrictions, with the aid of a diagram, explain the effects of an import tariff on government, producers and consumers **(10Marks)**
- b. Outline the inward-looking development strategy that developing countries employ in their effort at industrialization **(10 marks)**

QUESTION THREE

- a. The successful manager constructs a marketing programme designed for optimal adjustment to uncertainty of the business climate. Briefly discuss the significant elements in the uncontrollable international market environment. **(14 Marks)**
- b. What are the three orientations to international marketing management that guide the international business activities of companies **(6 Marks)**

QUESTION FOUR

- a. Despite the benefits of free trade, several governments impose restrictions to free trade. outline the justification given for this **(10 Marks)**
- b. Describe the following trade restrictions **(10 Marks)**
- (i) Trade embargo
 - (ii) Tariffs
 - (iii) Quotas
 - (iv) Sanitary and phytosanitary measures
 - (v) Technical standards and regulations

QUESTION FIVE

20 MARKS

Based on your understanding of the theories of international trade, what is the basis for and the pattern of trade according to;

- (i) The Mercantalists
- (ii) Adam Smith
- (iii) David Ricardo
- (iv) Michael Porter