

University of Fort Hare
Department of Economics

International Trade Theory and Policy - ECO321/E

November Main Exam

2018

Hours: 3 Hours

Marks: 100

This paper consists of 3 pages including the cover page

Internal Examiner

Ms N Ndlovu

Mr E Mutambirwa

External Examiner

Prof I Choga

Instructions

Choose ANY four questions

Make use of relevant contemporary examples where applicable. The graphical illustrations must be clearly shown.

Question five [25 marks]

- a) With the aid of a well-labelled diagram, discuss the general equilibrium effects of a tariff imposed on an import good by a large country. [16]
- b) Explain with examples the relative factor abundance in terms of physical definition and price definition. [9]

Question six [25 marks]

- a) With the aid of well labelled diagram(s), illustrate and explain the partner country gain from trade [15]
- b) Discuss any five causes of the developing countries' debt problem. [10]

END