



AFRICA
UNIVERSITY
A United Methodist-Related Institution

"Investing in Africa's Future"

COLLEGE OF HEALTH, AGRICULTURE & NATURAL SCIENCES

NMEC 504 INTERNATIONAL TRADE AND FINANCE

END OF FIRST SEMESTER FINAL EXAMINATIONS

NOVEMBER/DECEMBER 2022

LECTURER: PROF L. DUBE

DURATION: 3 HOURS

INSTRUCTIONS

Do not write your name on the answer sheet

Use Answer Sheets Provided

Begin your answer for Each Question on a New Page

Credit is Given for Neat Presentation

INSTRUCTIONS TO CANDIDATES

Answer any 4 questions. All questions carry equal marks.

Question 1

Critically discuss Porter's diamond of international competitiveness, explaining its utility and relevance. Apply the theory to the Zimbabwean agribusiness sector with specific reference to determinants of competitiveness in the Zimbabwean context. (25%)

Question 2

What are the economic and political arguments for regional economic integration? Given these arguments, why are we not seeing more integration in the world economy? (25%)

Question 3

- a) The call for climate smart agriculture is growing louder and louder by day. Critically discuss how international trade can help limit the costs of climate change. (15%)
- b) Discuss how a weakening or depreciating RTGS dollar is advantageous and disadvantageous to tobacco farmers in Zimbabwe. (20%)

Question 4

- a) In recent years, Zimbabwe has witnessed increased imports of secondhand textile products, and this has seriously affected the viability of the local textile industry. If the government wants to reduce the amount of these secondhand textile imports to a specific quantity, should it use a tariff or an import quota? Motivate your answer (15%)
- b) What were the mercantilist's views on trade? How do they relate to the current ideology of protectionism? (10%)

Question 5

- a) What are the key principles underlying the operation of the WTO? To what extent do these principles make economic sense? (10%)
- b) Discuss the importance of Zimbabwe being a member of the WTO. (15%)

END OF EXAMINATION PAPER
