



"Investing in Africa's Future"

COLLEGE OF HEALTH, AGRICULTURE & NATURAL SCIENCES

MAC5202 INTERNATIONAL TRADE AND FINANCE

END OF SECOND SEMESTER EXAMINATIONS

MAY 2026

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 **QUESTION 1** and any three other questions. (Provide relevant illustrations and examples to obtain full scores)

Question 1

Case Scenario

FreshGrow Exports supplies horticultural products to regional and European markets. While demand exists, the firm faces export constraints due to tariffs, stringent sanitary and phytosanitary (SPS) standards, and compliance costs. At the same time, domestic producers argue for protection against cheaper imports to safeguard local production and food security.

Required:

- a) Analyse the impact of tariffs, quotas, and non-tariff barriers on FreshGrow Exports' market access and competitiveness. (15 marks)
- b) Critically assess SPS measures as both legitimate regulatory tools and potential barriers to agricultural trade. (15 marks)
- c) Evaluate how trade policy can be designed to balance export competitiveness, domestic producer protection, and food security objectives. (10 marks)

Question 2

Critically analyse the relevance of classical and modern international trade theories in explaining contemporary agricultural trade patterns in developing economies. (20 marks)

Question 3

Evaluate how exchange rate regimes and exchange rate volatility affect the competitiveness of agricultural exports and imports. (20 marks)

Question 4

Critically assess the role of insurance and political risk mitigation instruments in facilitating cross-border agricultural trade. (20 marks)

Question 5



Analyse the role of multinational agribusiness corporations in global agricultural markets and critique their impact on domestic agribusiness development. (20 marks)

