



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

NMEC 302: INTERNATIONAL ECONOMICS

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2021

LECTURER: DR J MUZURURA

TIME: 5 HOURS

INSTRUCTIONS

Answer One question.

Start each question on a new page.

The marks allocated to each question are shown at the end of the question.

Credit will be given for logical, systematic and neat presentations.

QUESTION 1

- (a) Explicate on the challenges associated with the goals of the African Free Trade Agreement

[30 marks]

- (b) Explain the major themes that are critical for Zimbabwe's international trade

[30 marks].

QUESTION 2

- (a) Discuss the relevance and importance of the WTO in liberalizing international trade for the benefit of developing countries

[30 marks]

- (b) Use the Porter's Diamond model to explain how a country of your choice can benefit from managing the determinants of competitive advantage in international trade

[30 marks]

QUESTION 3

- a) Explain the main components of the balance payments and how BOP deficit can be corrected in a fixed exchange rate system

[20 marks]

- b) Identify and explain the three basic foreign currency exposures that affect companies in a country of your choice and how these exposures can be managed

[20 marks]

- c) Critically evaluate the major arguments for and against international free trade

[20 marks]

END OF EXAMINATION