



UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME: BSc. in Agricultural Economics and Agribusiness
Management Year IV**

COURSE CODE: AEM 406

TITLE OF PAPER: International Trade

TIME ALLOWED: 2:00 Hours

**INSTRUCTION: 1. ANSWER QUESTION ONE (SECTION
A) PLUS ANY TWO QUESTIONS IN
SECTION B**

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SECTION A

Question 1 (compulsory)

Explain the following concepts of international trade:

- a. Trade creation and trade diversion
- b. Free trade area (FTA) and Customs Union
- c. Tariffication and terms of trade
- d. Open economy and small country
- e. Market distortion and protection instruments

(10 marks each)

SECTION B

Answer any two

Question 2

The Uruguay Round Agreement on Agriculture (URAA) can be examined under three separate headings which provide an essential framework for describing its functions. Discuss the merits and demerits of URAA with a special focus on these key headings. [25 marks each]

Question 3

List and discuss the sources of debate in relation to agriculture in the present round of WTO negotiations? (25 marks)

Question 4

Using a Neo-classical trade model under the small country open economy assumption, explain the trade effects of a right-ward shift of the demand curve. (25 marks)