



2nd SEM. 2010/2011

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: B.Sc. in Agricultural Economics and Agribusiness Management

COURSE CODE: AEM 406

TITLE OF PAPER: INTERNATIONAL AGRICULTURAL TRADE

TIME ALLOWED: TWO (2) HOURS

INSTRUCTION: 1. ANSWER ALL QUESTIONS
2. EACH QUESTION CARRIES TWENTY FIVE (25) MARKS

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THE CHIEF INVIGILATOR**

QUESTION 1

Proponents of free trade argue that the removal of trade barriers would work towards long run benefit of all countries. Put up a counter-argument whereby the imposition of free trade barriers to international trade work to the best advantage of a given country. **[25 MARKS]**

QUESTION 2

Write short notes on:

- i. Import Quotas **[7 MARKS]**
- ii. Exchange rate Management **[6 MARKS]**
- iii. Voluntary Export restraint **[5 MARKS]**
- iv. Comparative advantage **[7 MARKS]**

QUESTION 3

- a). Discuss three important differences that explain why countries trade. **[9 MARKS]**
- b). Trade protection instruments are said to introduce distortions in the market, discuss how can the above be assessed by means of various indicators. **[16 MARKS]**

QUESTION 4

“The WTO is not really a ‘free trade’ organisation, as the treaties it administers allow for too many protectionist measures.” Critically discuss this quote, using examples drawn from the course. **[25 MARKS]**