



2nd SEM. 2011/2012

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

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

B.Sc. in Consumer Science

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

Explain how government intervenes in agricultural trade by the direct protection instrument. **[25 MARKS]**

QUESTION 2

Write short notes on:

- i. Production Possibility Frontier **[7 MARKS]**
- ii. The Hecksher-Ohlin Theorem **[6 MARKS]**
- iii. Regional Trade Agreements **[12 MARKS]**

QUESTION 3

Why do countries gain from trade? If they gain, why is there opposition to removing barriers to freer trade? **[25 MARKS]**

QUESTION 4

What are the key principles underlying the operation of the WTO? To what extent do these principles make economic sense? **[25 MARKS]**