

2<sup>nd</sup> SEM. 2015//2016



Page 1 of 2

UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

PROGRAMME: BSc. in Agricultural Economics and Agribusiness  
Management Year IV  
BSc. in Textile and Apparel Design Management IV

COURSE CODE: AEM 406

TITLE OF PAPER: AGRICULTURAL INTERNATIONAL TRADE

TIME ALLOWED: 2:00 HOURS

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

DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN GRANTED BY THE  
CHIEF INVIGILATOR

**Section A [compulsory]**

**Question 1 [50 marks]**

Using *illuminating* examples, explain how each of the following key terms may be used in agricultural international trade:

- a. Protection (10 marks)
- b. Trade distortion (10 marks)
- c. Border prices (10 marks)
- d. Dumping (10 marks)
- e. Tariff bindings (10 marks)

**Section B**

**Question 2 [25 marks]**

- a. Using a neo-classical trade model under the small country open economy assumption, discuss the trade effects of a right-ward shift of the demand curve. (15 marks)
- b. What are the factors responsible for the shift in demand? (10 marks)

**OR**

**Question 3 [25 marks]**

The Uruguay Round Agreement on Agriculture (URAA) can be examined under three separate headings which provide essential framework for describing its functions. Discuss the three headings that provide essential framework.

**OR**

**Question 4 [25 marks]**

List and discuss the main principles by which trade is organized under GATT/WTO (25 marks)

**END OF PAPER**