KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2010/2011

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF SCIENCE IN AGRIBUSINESS MANAGEMENT AND TRADE

KBT 511: INTERNATIONAL TRADE

DATE: Tuesday, 29th March, 2011 TIME: 2.00 p.m. – 5.00 p.m.

INSTRUCTIONS:

Answer question **ONE** and **THREE** others.

1. a) Elucidate on the concept 'free trade' (5 marks)
   b) Discuss the importance of productivity in trade (5 marks)
   c) Analyze the policies that governments can put in place to enhance economic growth (5 marks)
   d) Expound on the importance of economic integration in trade. (5 marks)
   e) Discuss why comparative advantage important in trade (5 marks)
2. Explain why a country where everybody is self-sufficient would be a poor Country. (5 marks)
3. Elucidate on the relative importance of demography and economic growth in the classical and neo-classical theories of economic growth. (15 marks)
4. Discuss how the conclusive WTO negotiations on TRIPs might affect Africa in the area of health. (15 marks)
5. 'Developing countries can still achieve high living standards even without factor endowment (minerals etc). Discuss. (15 marks)
6. Using graphical illustrations, show the relation between free trade and urtacky situations. (15 marks)