UGANDA MARTYRS UNIVERSITY

SCHOOL OF ARTS AND SOCIAL SCIENCES

DEPARTMENT OF GOVERNANCE, PEACE AND INTERNATIONAL STUDIES

MASTER OF ARTS IN INTERNATIONAL TRADE POLICY AND LAW

YEAR I: 2023/2024

END OF MODULE EXAMINATIONS

Saturday 14th October 2023

ITPL 3101: INTRODUCTION TO CONCEPTS AND THEORIES OF INTERNATIONAL TRADE

Venue: Rubaga Campus

TIME: 9:30am-12:30pm

Instructions

(i) Attempt four questions in all

(ii) Start each question on a new page

(iii) Credit shall be given for the citing of relevant authorities

(iv) Provide relevant examples and illustrations

1 (a) Explain the meaning of international trade with specific reference to:

(i) Trade in goods **(05 marks)**

(ii) Trade in services and **(05 marks)**

(iii) Trade related to the aspects of intellectual property rights **(05 marks)**

(b) Discuss any five instruments of trade policy that are often used by governments in international trade **(10 marks)**

2 (a) Explain the nondiscrimination principle as it applies to international trade law

(5marks)

(b) Illustrate exceptions to the principle of nondiscrimination **(10 marks)**

(c) Discuss the benefits to the member countries of the WTO of its liberalized trade regime which it fronts. **(10 marks)**

3 (a) Describe the mercantilists' view of international trade **(10 marks)**

(b) "Despite its flaws, the theory of mercantilism is still instilled in the formulation of international trade policies". Examine the ways in which mercantilist ideologies/methods are reflected in the formulation and implementation of international trade policies and their implications to date

(15 marks)

4 (a) Explain the comparative advantage theory and briefly outline the key assumptions on which it is anchored. **(10 marks)**

(b) Despite the fact that the Ricardian theory of comparative advantage provided the basis of specialization, which is up to date the main concept for the occurrence of international trade between and among countries, its assumptions have been greatly criticized. How have trade policy economists negated the Ricardian comparative advantage theory based on its assumptions?

(15 marks)

5 (a) State the Heckscher-Ohlin Theorem of international trade **(05 marks)**

(b) Study the table below and attempt the questions that follow:

Country A	**Supply of labour**	25 units
	Supply of capital	20 units

Country B	**Supply of labour**	12 units
	Supply of capital	25 units

(i) Which country has more capital in absolute terms? **(02 marks)**

(ii) Calculate the capital labour ratio in both country A and B **(04 marks)**

(iii) Based on your answer in 5 (ii) above, state the country which is richly endowed with capital and suggest the possible flow of international trade based on differences in the capital ratio between country A and B **(02 marks)**

(c) (i) Discuss any three merits of the Heckscher Ohlin theorem **(06 marks)**

(ii) What views did the Leontief paradox bring out while undertaking an empirical test of the Heckscher- Ohlin theory of international trade? **(06 marks)**

6 (a) Describe the factors which determine the competitive advantage of nations as put forward by Michael Porter's theory **(05 marks)**

(b) Based on your experience and knowledge of international trade policy, what would be your advice on how to make Ugandan products to be more competitive in international markets? **(20 marks)**

END