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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
THIRD YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 3RD August, 2022
Time: 11.30am –1.30pm

KBM 301 - INTERNATIONAL TRADE: EXPORTS –IMPORT MANAGEMENT

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) State five reasons for the development of international trade.
(5 marks)
- b) With the aid of elaborate examples, differentiate between the theories of “absolute advantage” and “comparative advantage”.
(6 marks)
- c) Certain documents are crucial in the efficient operations of international trade. As such, distinguish between “CMR document” and “bill of lading”.
(4 marks)
- d) Lack of proper documentation in international trade matters may result in many complications and costs. Describe three types of costs due to poor documentation.
(6 marks)
- e) Explain the concept of the “most favored nation” as applied in the GATT context of international trade.
(3 marks)
- f) Highlight three categories of foreign investment regulations.
(6 marks)

QUESTION TWO (20 MARKS)

- a) A number of theories exist that attempt to explain international trade dynamics. Using appropriate examples, describe the “theory of national competitive advantage”.
(10 marks)
- b) Countries sometimes enact policies and laws aimed at curbing foreign imports for a number of reasons. Highlight and explain any five (5) forms of regulations that host countries impose imports.
(10 marks)

QUESTION THREE (20 MARKS)

- a) Trade barriers are imposed to control the amount of imports or exports in and out of a country. Describe five reasons why a government would impose barriers on international trade.
(10 marks)
- b) Regional integration is meant to promote trade amongst a group of nations trading together. Identify and explain five (5) types regional agreements formed between countries.
(10 marks)

QUESTION FOUR (20 MARKS)

- a) The World Trade Organization was established to oversee international trade regulations among member nations. Outline and explain five functions of the WTO.
(10 marks)
- b) What are the five core principles of the General Agreement on Tariffs and Trade that governed international trade.
(10 marks)

QUESTION FIVE (20 MARKS)

- a) Import trade refers to the purchase of goods from a foreign country. Clearly describe the steps involved when a business wishes to import goods into the country.
(10 marks)
- b) Highlight and explain five ways in which IT has facilitated international trade.
(10 marks)