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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR**  
**THIRD/FOURTH YEAR, SECOND SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION) & BACHELOR OF BUSINESS AND**  
**INFORMATION TECHNOLOGY**

**KBM 301: INTERNATIONAL TRADE: EXPORTS –IMPORT MANAGEMENT**  
**KBA 2307: INTERNATIONAL PAYMENTS**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) State five (5) 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 (3) 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 (3) 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 (5) 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 (5) functions of the WTO. (10 marks)
- b) What are the five (5) 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 (5) ways in which IT has facilitated international trade. (10 marks)