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(University of Choice)

**MASINDE MULIRO UNIVERSITY OF
SCIENCE AND TECHNOLOGY
(MMUST)**

MMUST MAIN CAMPUS

**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR**

**THIRD YEAR FIRST SEMESTER EXAMINATIONS
FOR BACHELOR OF SCIENCE ECONOMICS, BACHELOR OF
SCIENCE ECONOMICS AND STATISTICS**

COURSE CODE: ECO 305

COURSE TITLE: INTERNATIONAL ECONOMICS I

DATE: FRIDAY 16/12/2022

TIME: 3:00-5:00

INSTRUCTIONS TO CANDIDATES

Attempt **QUESTION ONE** and **ANY OTHER TWO QUESTIONS**

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

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QUESTION ONE

- a) You are part of debate competition and have reached the final. The last task in the competition is to state three arguments in favour of free trade and three arguments against free trade. State your arguments clearly and precise. (10 marks)
- b) Discuss THREE non-economic arguments for protectionism (9marks)
- c) Define economic integration and state its advantages and disadvantages (5marks)
- d) Differentiate between the following concepts as used in international economics
 - i) Balanced growth and unbalanced growth
 - ii) Production effect and consumption effect of trade on growth
 - iii) Export let and import substitution growth (6 marks)

QUESTION TWO

- a) Explain by used of graphs how an import tariff would influence a country:
 - i) Changes in prices
 - ii) Relative supply
 - iii) Relative demand
 - iv) Terms of trade (15marks)
- b) Discuss if and why the country size has any input (5marks)

QUESTION THREE

Examine the importance of trade for economic growth in Kenya. (20marks)

QUESTION FOUR

- a) Briefly explain the various levels of regional economic integrations in Africa. (5 marks)
- b) Explain ways in which Kenya is bound to benefit from the Regional integration (EAC) (15 marks)

QUESTION FIVE

- a) Discuss the objectives of dumping. (8marks)
- b) Explain with the aid of a well labelled diagram how prices are determined under dumping. (12marks)