



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE	: EEB21303
COURSE NAME	: INTERNATIONAL TRADE AND ECONOMY
PROGRAMME NAME	: BACHELOR OF BUSINESS ADMINISTRATION (HONS) INTERNATIONAL BUSINESS
DATE	: 14 FEBRUARY 2025
TIME	: 3.00 PM – 6.00 PM
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **TWO (2) Sections; Section A and Section B.**
4. Answer **ALL** questions in **Section A and Section B.**
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. **This question paper must not be removed from the examination hall.**

THERE ARE THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

(a) Define each of the following terms:

i. Opportunity cost

(2 marks)

ii. Gain from trade

(2 marks)

iii. Economies of scale

(2 marks)

iv. Foreign direct investment

(2 marks)

v. Tariff

(2 marks)

(b) Barriers to trade are obstacles that hinder the free exchange of goods and services between countries to protect domestic industries, safeguard jobs, or ensure national security. These barriers can significantly impact global trade flows and economic growth.

Identify **FIVE (5)** common barriers to trade.

(10 marks)

Question 2

- (a) The following table shows the production per unit of labor to produce cloth and sugar in Brazil and India.

Countries	Cloth (units)	Sugar (units)
Brazil	250	150
India	100	200

Based on the above table, answer the questions below.

- i. Does either country have an absolute advantage in the production of cloth or sugar? Explain.
(5 marks)
- ii. What is the opportunity cost of cloth in each country?
(5 marks)
- iii. What is the opportunity cost of sugar in each country?
(5 marks)
- iv. Analyze comparative advantage and opportunities for trade between Brazil and India.
(5 marks)

SECTION B (Total: 60 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

Trade refers to the exchange of goods, services, and capital between countries or regions. It also contributes to greater economic growth and prosperity for nations involved in global trade. How does international trade play a crucial role in improving national welfare?

(20 marks)

Question 2

Explain the differences between the Ricardian Model and the Heckscher-Ohlin Model of international trade. Provide relevant examples to support your answer.

(20 marks)

Question 3

Discuss **FIVE (5)** benefits that a government can achieve by imposing tariffs on imported goods.

(20 marks)

END OF EXAMINATION PAPER