CONFIDENTIAL

UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2025 SEMESTER

COURSE CODE	:	EEB21303
COURSE NAME	:	INTERNATIONAL TRADE AND ECONOMY
PROGRAMME NAME	:	BACHELOR OF BUSINESS ADMINISTRATION (HONS) INTERNATIONAL BUSINESS
DATE	:	23 JUNE 2025
TIME	:	2.00 PM – 5.00 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 in 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 TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

The following table shows the production per unit of labor for the production of wheat and rice in the United States and United Kingdom.

Countries	Wheat (units)	Rice (units)
United States	300	100
United Kingdom	20	20

Based on the above table, answer the questions below.

(a) Does either country have an absolute advantage in the production of wheat or rice? Explain.

(5 marks)

(b) What is the opportunity cost of wheat in each country?

(5 marks)

(c) What is the opportunity cost of rice in each country?

(5 marks)

(d) Analyse comparative advantage and opportunities for trade between the United States and United Kingdom.

(5 marks)

Question 2

(a) What are green trade initiatives? (2 marks)

(b) Give two examples of green trade initiatives. (4 marks)

(c) Briefly explain how government supports environmental sustainability.

(4 marks)

(d) Provide a list of five differences between internal and external economies of scale.

(10 marks)

SECTION B: ESSAY QUESTIONS (Total: 60 marks)

INSTRUCTION: Answer ALL questions
Please use the answer booklet provided.

Question 3

In what ways does the Heckscher-Ohlin theory explain trade patterns differently from earlier trade theories, particularly in relation to factor endowments?

(20 marks)

Question 4

In what way did the trade conflict between the United States and China impact prices in both countries in 2025? Describe tariffs and their impact on the prices of goods, consumers, and businesses during the trade war. Use real examples to support your answer.

(20 marks)

Question 5

"The International Monetary Fund (IMF) plays an important role in supporting countries in today's global economy. Explain the main functions of the IMF and discuss how it helps countries during financial crises, promotes global trade, and supports economic stability. Give examples to support your answer."

(20 marks)

END OF EXAMINATION PAPER