



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE	: EEB21003
COURSE NAME	: INTERNATIONAL ECONOMICS & TRADE
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 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

Based on the information in Table 1, answer the questions below.

Table 1: Production of Fruits

Before trade, the production levels in two countries are as follows:

Country A: 100 apples and 50 bananas

Country B: 60 apples and 120 bananas

After specialization, the production changes to:

Country A: 180 apples, no bananas

Country B: 180 bananas, no apples

They agree to trade 80 apples for 80 bananas.

- (a) What is the opportunity cost of producing apples and bananas in each country before trade? (5 marks)
- (b) After the trade, how many apples and bananas does each country have? (5 marks)
- (c) Did both countries gain from trade? Explain (5 marks)
- (d) Explain how specialisation based on comparative advantage can benefit both countries, even if one country has an absolute advantage in producing everything. (5 marks)

Question 2

- (a) Use a proper formula to calculate the profit or loss for each trade. Assume 1 standard lot = 100,000 units and 1 mini lot = 10,000 units.
- i. A trader buys 1 lot of EUR/USD at 1.1000 and sells at 1.1150.
Lot size: 100,000 (2 marks)
 - ii. A trader sells 2 lots of USD/JPY at 142.00 and closes the position at 140.00.
Lot size: 100,000 (2 marks)
 - iii. A trader buys 3 mini lots of GBP/USD at 1.2400 and exits at 1.2500.
Lot size: 10,000 (2 marks)
 - iv. A trader sells 1 standard lot of USD/CHF at 0.9450 and exits at 0.9350.
Lot size: 100,000 (2 marks)
 - v. A trader buys 1 standard lot of EUR/USD at 1.0750 but closes the trade at 1.0650.
Lot size: 100,000 (2 marks)
- (b) Provide a list of five advantages and five disadvantages of economic integration. (10 marks)

SECTION B: ESSAY QUESTIONS (Total: 60 marks)**INSTRUCTION: Answer ALL questions**

Please use the answer booklet provided.

Question 3

"National Income Accounting plays a crucial role in evaluating the economic performance of a country. However, it has several limitations. Explain each criticism in your own words and provide examples to show why these issues matter when measuring a country's economy."

(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