

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
DEPARTMENT OF ECONOMICS
BACHELOR OF SCIENCE HONOURS DEGREE IN ECONOMICS
INTERNATIONAL TRADE THEORY AND POLICY: EC 204 (3)
DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES

NOV 2024

1. Answer any four (4) questions.
2. The paper carries six (6) questions.
3. All questions carry equal marks of 25 each.
4. No cellphones allowed in the exam room.

Question 1

Discuss the likely **benefits and problems** of the African Continental Free Trade Area (AfCFTA) to the Small and Medium Enterprises (SMEs) in Zimbabwe. [25 Marks]

Question 2

Examine any **Five (5)** Non-Tariff Barriers (NTBs) commonly used in Africa to regulate trade. [25 Marks]

Question 3

Demonstrate how the following strategies can be used to promote exports in Zimbabwe:

- | | |
|---|-----------|
| i. Foreign Currency Retention Threshold | [5 Marks] |
| ii. Tax Holidays | [5 Marks] |
| iii. Duty Free Importation Scheme | [5 Marks] |
| iv. Export Drawback Scheme | [5 Marks] |
| v. Inward Processing Rebate Scheme | [5 Marks] |

Question 4

Giving relevant examples, explain any **Five (5)** levels of economic integration. [25 Marks]

Question 5

Examine any Five (5) arguments for trade protectionism.

[25 Marks]

Question 6

Using the following theories, demonstrate how countries gain from international trade:

- i. Heckscher-Ohlin Theory
- ii. Absolute Advantage Theory
- iii. Comparative Advantage Theory

[9 Marks]

[8 Marks]

[8 Marks]

END OF PAPER