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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR  
THIRD YEAR, FIRST SEMESTER EXAMINATION  
FOR THE DEGREE OF BACHELOR OF SCIENCE  
(BUSINESS ADMINISTRATION)**

Date: 9<sup>th</sup> April, 2019  
Time: 11.00am – 1.00pm

**KBM 301- INTERNATIONAL TRADE AND EXPORTS / IMPORT  
MANAGEMENT**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) State five reasons for the development of international trade. (5 Marks)
- b) With the aid of elaborate examples, differentiate between the theories of “absolute advantage” and “comparative advantage”. (6 Marks)
- c) Certain documents are crucial in the efficient operations of international trade. As such, distinguish between “CMR document” and “bill of lading”. (4 Marks)
- d) Lack of proper documentation in international trade matters may result in many complications and costs. Describe three types of costs due to poor documentation. (6 Marks)
- e) Explain the concept of the “most favored nation” as applied in the GATT context of international trade. (3 Marks)
- f) Highlight three categories of foreign investment regulations. (6 Marks)

### **QUESTION TWO (20 MARKS)**

- a) A number of theories exist that attempt to explain international trade dynamics. Using appropriate examples, describe the “theory of national competitive advantage”.  
(10 Marks)
- b) Countries sometimes enact policies and laws aimed at curbing foreign imports for a number of reasons. Highlight and explain any five forms of regulations that host countries impose imports.  
(10 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Trade barriers are imposed to control the amount of imports or exports in and out of a country. Describe five reasons why a government would impose barriers on international trade.  
(10 Marks)
- b) Regional integration is meant to promote trade amongst a group of nations trading together. Identify and explain five types regional agreements formed between countries.  
(10 Marks)

### **QUESTION FOUR (20 MARKS)**

- a) The World Trade Organization was established to oversee international trade regulations among member nations. Outline and explain five functions of the WTO.  
(10 Marks)
- b) What are the five core principles of the General Agreement on Tariffs and Trade that governed international trade.  
(10 Marks)

### **QUESTION FIVE (20 MARKS)**

- a) Import trade refers to the purchase of goods from a foreign country. Clearly describe the steps involved when a business wishes to import goods into the country.  
(10 Marks)
- b) Highlight and explain five ways in which IT has facilitated international trade.  
(10 Marks)