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**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**FACULTY OF SOCIAL SCIENCES**

**DEPARTMENT OF ECONOMICS**

**Pen on Paper Examinations. June 2017\_1**

**COURSE TITLE: INTERNATIONAL ECONOMICS**

**COURSE CODE: ECO 344**

**UNITS: 3**

**TIME ALLOWED: 3hrs**

**INSTRUCTIONS: Answer four (4) questions in all, question 2 and any other three.**

**Question:**

1. What is International Economics?**(17mks)**

2. (a) Explain in simple term what you know about Ricardian theory in International Trade

(b) Relate 2a to possiblebi-lateral trade agreement between Nigeria and Ghana in the production of cassava and cocoa.**(20mks)**

3. What is a trading economy, and when is it at equilibrium? **(17mks)**

4. Explain the factors that affect gain from trade. **(17mks)**

**5**. Write briefly on any three of the following:

i. when there is dual economies

ii. Factor endowment

iii. Factor intensity

iv. Terms of trade. **(17mks)**

6. (a) Simply state Adam Smith’s theory of international trade.

(b) Using hypothetical examples, explain what 6a is all about in statement form**(17mks).**