



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja  
**FACULTY OF MANAGEMENT SCIENCES**  
**2020\_1 EXAMINATION**

**Course Code: BUS726**

**Course Title: GLOBAL ECONOMIC ENVIRONMENT**

**Credit Unit: 2**

**Instructions:** 1. Indicate your Matriculation Number clearly  
2. Attempt Question 1 and any other two (2) questions  
3. Question 1 is compulsory and carries 30 marks while the other 2 questions carry 20marks each  
4. Present all your points in coherent and orderly manner

**Time Allowed: 2 Hours**

- 1a. The economic environment like all other environment is never static, it is dynamic and complex. Discuss the five main components of this environment. **(15marks)**
- 1b. Explain five types of financial crises, which may be intertwined in any Particular historical episode. **(10marks)**
- 1c. List any five of the characteristics of the global economy. **(5marks)**
- 2a. Many theories have been propounded on interest rate determination. Discuss four of these theories **(12marks)**
- 2b. What are the Prevailing Problems of International Trade? **(8marks)**
- 3a. Explain what is the free market economy concept **(12marks)**
- 3b. Discuss two of the Models predicting foreign exchange rate behavior **(8marks)**
- 4a. Discuss any five of the various models of international trade. **(10marks)**
- 4b. Identify five economic benefits that greater openness to international trade brings. **(10marks)**
- 5a. There are several factors inhibiting the development and growth of nations. Discuss any five of these factors. **(15marks)**
- 5b. Describe the advantages of countries entering into trade relations on an International Trade **(5marks)**