



NATIONAL OPEN UNIVERSITY OF NIGERIA
DEPARTMENT OF ECONOMICS
FACULTY OF SOCIAL SCIENCES
2020_1 EXAMINATION

COURSE TITLE: INTERNATIONAL ECONOMICS

COURSE CODE: ECO 344

UNITS: 3

TIME ALLOWED: 3 HOURS

**INSTRUCTION: ANSWER ANY FOUR (4) QUESTIONS. ALL QUESTIONS
CARRY EQUAL MARKS**

- 1a. Define and explain the concept of international trade. (5.5 marks)
- b. Enumerate the importance of international trade in the global economy. (12 marks)
- 2a. State and discuss the law of returns to scale (5.5 marks)
- b. Write short notes on the following concepts: (12 marks)
 - (i). Constant returns to scale
 - (ii). Increasing returns to scale
 - (iii). Decreasing returns to scale
- 3a. How can government policies affect trade and the gains from trade? (8.5 marks)
- b. What would happen to the global economy if there is no trade? (9 marks)
- 4a. Outline the conditions that will together guarantee the no-trade situation. (7.5 marks)
- b. Describe dual economic system as a consequence of international trade (10 marks)
- 5a. Discuss in details the theory of wages (7.5 marks)
- b. Explain the relevance of the Marxian surplus-value theory in international trade analysis (10 marks)
6. Discuss the contributions of Heckscher-Ohlin model to the history of international trade. (17.5 marks)