



The Co-operative University of Kenya

SPECIAL / SUPPLEMENTARY EXAMINATION AUGUST -2022

EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN

AGRIBUSINESS

(YR IV SEM II)

UNIT CODE: BAFS 4234

UNIT TITLE: AGRIBUSINESS INTERNATIONAL TRADE

DATE: 1st AUGUST, 2022

TIME: 8:30 AM – 10:30 AM

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

(a) Define the following terms:

- i. International Trade (3 Marks)
- ii. Import Trade (3 Marks)
- iii. Entrepot Trade (3 Marks)

(b) Explain any Three features of international Trade (6 Marks)

(c) Explain any Five reasons why governments are for Trade barriers (10 Marks)

(d) Distinguish between Fiscal and Monetary Policies (5 Marks)

QUESTION TWO

(a) Define the term “import substitution”. (4 Marks)

(b) Explain the importance of import substitution. (10 Marks)

(c) Explain any six strategies that can help developing countries boost export. (6 Marks)

QUESTION THREE

(a) Explain any Three reasons for market disequilibrium in an economy. (6 Marks)

(b) Distinguish between:

- i. Current account and Capital account. (4 Marks)
- ii. Quota and Tariff. (4 Marks)

(c) Explain how a quota works in an economy. (6 Marks)

QUESTION FOUR

(a) Write short notes on the following:

- i. Direct investment. (4 Marks)
- ii. Portfolio investment. (4 Marks)
- iii. Trade restrictions. (4 Marks)

(b) Explain the reasons for the international movement of capital. (8 Marks)

QUESTION FIVE

(a) Explain the benefits of export promotion to farmers. (10 Marks)

(b) Explain any Five types of the trading bloc. (10 Marks)