



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY POSTGRADUATE EXAMINATION

2017/2018 ACADEMIC YEAR

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR MASTER OF
BUSINESS ADMINISTRATION (FINANCE OPTION)**

BCF 633: INTERNATIONAL TRADE AND FINANCE

DURATION: 3 HOURS

DATE: 16TH AUGUST, 2018

TIME: 2.00 – 5.00 P.M.

Instructions to Candidates:

1. Answer **Any Four** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

QUESTION ONE (25 marks)

Describe the following concepts:

- a) International trade (4 marks)
- b) Monetary policy (4 marks)
- c) Fiscal policy (4 marks)
- d) Gross Domestic Product (GDP) (4 marks)
- e) Discuss two main revenue areas for the government (5 marks)
- f) Discuss three main problems in government spending (4 marks)

QUESTION TWO (25 marks)

Discuss five major factors that could heavily contribute to compromise Kenya's fiscal policy as relating to international trade (25 marks)

QUESTION THREE (25 marks)

- a) Discuss three methods of managing a country's monetary policy with close reference to Kenya (10 marks)
- b) Explain the concept of tariffs and the two methods it can be used (10 marks)
- c) Why is trade protection important to a country? (5 marks)

QUESTION FOUR (25 marks)

Explain the benefits of application of non-tariff barriers in the context of East African Community and in close reference to Kenya (25 marks)

QUESTION FIVE (25 marks)

The World Trade Organization (WTO) plays a major role in international trade. Describe the five main rules observed by WTO in advancing technical cooperation and training (25 marks)