HEBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES

DEPARTMENT OF ECONOMICS & FINANCE

BACHELOR OF COMMERCE DEGREE

LEVEL 4 SEMESTER 1

EXAMINATION QUESTION PAPER

MODULE CODE	**HEF412**
MODULE NARRATION	**INTERNATIONAL ECONOMICS**
DATE	**2024**
DURATION	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. Answer any four questions
2. Start each question on a fresh page
3. Silent self-powered non-programmable calculators can be used
4. All questions carry equal marks

QUESTION 1

(a) Explain the three main automatic BOP adjustment mechanisms. [15 marks]

(b) Using the national income accounts in an open economy approach discuss how the external sector is linked to the internal balance on an economy. [10 marks]

[Total 25 marks]

QUESTION 2

(a) Explain the main objectives and principles of AfCFTA agreement. [5marks]

(b) Explain the following protocols the AfCFTA agreement;

(i) Protocol on trade in goods

(ii) Protocol on trade in services

(iii) Protocol on investment

(iv) Protocol on competition policy

(v) Protocol on intellectual property rights

[20 marks]

[Total 25 marks]

QUESTION 3

(a) Explain the different versions of purchasing power parity (PPP) and the criticisms leveled against Absolute PPP. [15 marks]

(b) Explain how one may determine a country's Balance of payments using the Monetary approach. [10 marks]

[Total 25 marks]

QUESTION 4

(a) Discuss the relationship between exchange rates and foreign direct investment

[15 marks]

(b) Discuss the effects of a depreciating RTGS on Zimbabwean economy [10 marks]

[Total 25 marks]

QUESTION 5

(a) Analyze E-Commerce Benefits for Businesses in a Developing Country [15 marks]

(b) Explain the lessons that can be learnt from Eurozone from its formation to date.

[10 marks]

[Total 25 marks]