



### Part C – Essay Questions

Marks allocation: 45

Answer only Three (03) questions from Part C including question No.1

- 01.
- i. "Tariff can be used for different purposes apart from its main role". Explain the above statement by taking Partial Equilibrium Analysis of Tariff in to account. (8 Marks)
  - ii. "Theories in Physical Science can be used to examine the trade flows between countries". Justify this statement by getting necessary examples. (7 Marks)

(Total marks 15)

02.

- i. What is meant by trade barriers? (3 marks)
- ii. What are the objectives of trade barriers? (4 marks)
- iii. "Free trade agreements between unequal partners imply unequal trade" Discuss providing appropriate examples. (8 marks)

(Total marks 15)

03.

- i. Assume that, you have been appointed as a merchandiser of a textile manufacturing company. The company needs to import a cargo of yarn from China or India. You required to;
  - A) Recommend the company the country from which the yarn should be imported and justify your answer.
  - B) List the steps of the processing this transaction.



ii. A textile producer from SL has got an order for 40 mn. units and he has a production capacity of 50 mn. per term. The 40 mn. order could accept LC basis and for the rest the CEO has his concerns on the payment method based on consignment. You required to advice CEO on this matter.

(5 marks)

iii. Assume that, you are the assistant to the CEO of a small textile firm that manufactures high-quality, premium-priced, stylish clothing. The CEO has decided to see what are the opportunities available for exporting and has asked you for advice as to the steps the company should take. What advice would you give the CEO?

(5 marks)

(Total marks 15)

04. Briefly explain the following concepts.

- i. WTO & GATT
- ii. GSP +
- iii. Conclusions of Mundell-Fleming Model

(3x5 =15 marks)

(Total marks 15)

