



**National University of  
Science and Technology**  
*Think in Other Terms*



**FACULTY OF COMMERCE**

**DEPARTMENT OF FINANCE**

**INTERNATIONAL ECONOMIC INTEGRATION CFS 4201**

**SUPPLEMENTARY EXAMINATION AUGUST 2014**

**TIME: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

- Answer any **FOUR** (4) questions
- Questions carry equal (25) marks

### **QUESTION ONE**

Critically assess Porter's determinants of a country's competitiveness, with special reference to applicability to Zimbabwe.

### **QUESTION TWO**

- a) What is the economic case for regional integration?
- b) Identify and explain the major sources of gain from regionalism.

### **QUESTION THREE**

"Economic growth, and therefore, economic convergence, requires reasonably efficient economic institutions." (*JD Sachs and AM Warner; 1995, p8*). Evaluate this claim.

### **QUESTION FOUR**

- a) What, in your opinion, are the sources of slow growth in Sub- Saharan Africa?
- b) Suggest solutions on how SSA can overcome this challenge.

### **QUESTION FIVE**

Write a brief critique on the following international trade concepts:

- a) Mercantilism (pre 16<sup>th</sup> century trade philosophy)
- b) Absolute advantage (Adam Smith, 1776)
- c) Comparative advantage (David Ricardo, 1817)
- d) Factor proportions (Heckscher –Ohlin, 1919)
- e) International Product Life Cycle (Ray Vernon, 1966)

### **QUESTION SIX**

Robert Lucas (1990) laid out the challenge in his famous paper: "Why Doesn't Capital Flow from Rich to Poor Countries?" Interrogate this question.

***END OF EXAMINATION PAPER***