

Faculty of Commerce
Department of Finance
International Economic Integration CFS 4202
Final Examination, 2014

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

QUESTION ONE

- a) What would you consider as the fundamental sources of long run growth in Zimbabwe?
- b) Explain why Zimbabwe has failed to reach its economic potential, particularly in the post independence period.

QUESTION TWO

Evaluate the factors deemed responsible for the lack of convergence by emerging economies, in spite of Barro's predictions to the contrary.

QUESTION THREE

Identify and analyse the shortcomings in Porter's national competitiveness paradigm, clearly guiding us as to how the gaps in the model may be plugged.

QUESTION FOUR

- a) Assess the dynamic benefits of regionalism in the improvement and rationalization of a country's economic structure.
- b) What would you consider as as the potential disadvantages of regional integration?

QUESTION FIVE

Critically review, with illustrative examples, the principal determinants of inward foreign direct investment in Zimbabwe.

QUESTION SIX

The Zimbabwe Agenda for Sustainable Socio Economic transformation (Zim Asset: October 2013 – December 2018) is structurally weak and ill-suited for the objectives it seeks to achieve. Do you agree?

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Supplementary Examination 2014

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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 16th 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.

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