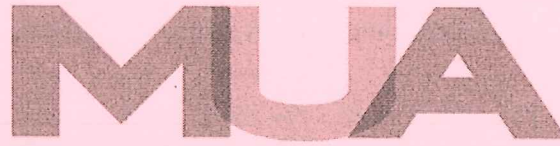


The
Management
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF ARTS IN DEVELOPMENT STUDIES

BDS 401 : TRADE AND DEVELOPMENT

DATE: 26TH MARCH 2025

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

and support and contribute to our quest for industrial revolution through the Big Four.

Required:

- a) Define the following terms as used in the case study study:
 - i) Industrial transformation (2 Marks)
 - ii) Free trade area (2 Marks)
 - iii) Economic transformation (2 Marks)
- b) Distinguish between custom union and free trade area (4 Marks)
- c) From the case study above explain how four robust infrastructure network created by the government over the past five years and their effect on the economy (6 Marks)
- d) Discuss six challenges facing industrialization and manufacturing sector in Kenya. (9Marks)

QUESTION TWO

Discuss any five ways how liberalization has provided new opportunities for diversification and profit to the country (15 Marks)

QUESTION THREE

- a) Explain any three ways how trade will equalize wages, returns to other factors (land, labour) across countries even when factors cannot cross borders. (6 Marks)
- b) With relevant examples justify any three factors for economic and social justifications for subsidies in Kenya (9 Marks)

QUESTION FOUR

- a) Illustrate the three guiding principles of Kenya's vision 2030 (5 Marks)
- b) Examine five difference between static and dynamic gains from trade (10 Marks)

QUESTION FIVE

- a) Elaborate four problems that face countries in the event of conducting trade on the international platform (6 Marks)
- b) Discuss any six merits and demerits of free trade in less developing economies. (9 Marks)

QUESTION SIX

Write illustrative notes on the following with relevant examples:

- a) The product cycle theory (5 Marks)
- b) Historical evolution of trade (5 Marks)
- c) Globalization (5 Marks)

