



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

P.O. Box 62157
00200 Nairobi - KENYA
Telephone: 891601-6
Fax: 254-20-891084
E-mail: academics@cuea.edu

MAIN EXAMINATION

JANUARY – APRIL 2014 TRIMESTER

FACULTY OF LAW

REGULAR PROGRAMME

CLS 411: INTERNATIONAL TRADE LAW

Date: APRIL 2014

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Q1. International trade is the exchange of capital, goods and services, across international borders or territories. In most countries, such trade represents a significant share of Gross Domestic Product (GDP). While international trade has been present throughout much of history, its economic social and political importance has been on the rise in recent centuries. Without international trade, nations would be limited to goods and services produced within their own borders.

Discuss the above statement while taking into account the following, industrialization, advancement in technology, transportation, globalization, multinational corporations, and out sourcing. **(30 marks)**

Q2. a) Both the world trade organization WTO and the World Bank play a crucial and important role in international trade law. What role do they play and what impact have their policies made in the advancement of international trade in developing countries?

(15 marks)

b) Explain what are barriers to trade and identify them. **(5 marks)**

- Q3. a) There are **FOUR** problems that attend to export sale transaction namely:
- i) Physical distance
 - ii) Commercial risk problem
 - iii) Political risk problem
 - iv) Legal risk problem

Explain how these problems affect international trade and what measures have been put in place to overcome them. **(10 marks)**

- b) Global partnership and initiatives play a very important role in international trade. Their role is fundamental especially when globalization is taken into account. Explain. **(10 marks)**

- Q4. What do you understand by the following terminology in international trade law:

- a) Globalization
- b) Foreign exchange reserves. **(2 marks)**
- c) Fair trade **(2 marks)**
- d) Export oriented industrialization **(2 marks)**
- e) Economic integration **(2 marks)**
- f) Trade justice **(2 marks)**
- g) Comparative advantage **(2 marks)**
- h) Balance of trade **(2 marks)**
- i) Free trade zone **(2 marks)**
- j) Free trade **(2 marks)**

- Q5. When it comes to international financial transactions many challenges are faced. How is international trade financed and what are the challenges faced? **(20 marks)**

END