

INTERNATIONAL TRADE

KCSE QUICK REVISION

*Compilation of Possible Questions in Business Studies
Likely to be Examined in KCSE.*

*A Special Analysis of Prediction Questions that may be Tested in KCSE from this
Topic in Form 4.*

BUSINESS STUDIES

SERIES 1

For Marking Schemes

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INTERNATIONAL TRADE

The topic entails:

- ✓ Meaning and importance of international trade
- ✓ Clear distinction between balance of trade, and balance of payment.
- ✓ Computation of balance of trade.
- ✓ Accounting for the differences in terms of trade of various countries
- ✓ Identifying components of balance of payment account and their preparation
- ✓ Discussing causes of disequilibrium in the balance of payment and measures to resolve them.
- ✓ Discussion on the terms of sale used in international trade and their cost implication of each to the seller and the buyer.
- ✓ Discussing the meaning of economic integration and distinguish between the various forms of integration.
- ✓ Discuss the benefits as well as the disadvantages of integration.
- ✓ Discuss free trade outlining case for and against free trade.
- ✓ Discuss merits and demerits of trade restrictions.
- ✓ Discuss the benefits of trade agreements such as A.G.O.A
- ✓ Meaning of exchange rates and comparison between salient features of flexible and fixed systems.
- ✓ Discuss reasons for various development.

1. Write in full the following abbreviations:

- i) Franco
- ii) O.N.
- iii) C.W.O
- iv) I.O.U

2. State any **four** economic benefits Kenya may derive from the recently revived East African cooperation (E.A.C)

3. Highlight **four** trade measures that can be undertaken by a country to correct balance of payment disequilibrium

4. Highlight **four** difficulties encountered in international trade
5. The following statement shows the various level of economic integration.
Against this statements, give the level that suits each:

Statement	Level
(a) Member countries imposes common tariffs on non-member states	
(b) Member countries have joint economic institution and common monetary and fiscal policies	
(c) Member countries agree to either abolish or relax tariffs and other barriers	
(d) Member countries allow free movement factors of production	

6. Outline **four** ways in which Kenya benefits by being a member of Common Market for East and Southern Africa States (COMESA)
7. The table below gives descriptions of some documents used in international trade complete the table, by indicating the name of the document that corresponds to each description

Description	Document
i) Requests the exporter to supply the importer with the items indicated	

ii) Acknowledges the receipt of goods on board a ship	
iii) Authorizes the bank to resell goods being exported	
iv) Gives details of exported goods and name of country of origin	

8. Highlight **four** factor that may hinder the success of East African Co-operation (E.A.C)
9. Explain **five** benefits that will accrue to a country due to use of pipeline in transporting oil products
10. Explain **five** advantages that a country may experience from imposing trade restrictions In trading partners.
11. Discuss **five** reasons why many countries tend to prefer free trade
12. Discuss **five** causes of the persistent balance of payment disequilibrium in East African countries
13. Explain **five** measures that the Government of Kenya may take to control her persistent Balance of payment deficit
14. Explain **five** advantages of economic integration to a member state.

For Marking Schemes/Answers

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FOR THE FOLLOWING;

- ✓ **ONLINE TUITION**
- ✓ **REVISION NOTES**
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- ✓ **SETBOOKS VIDEOS**
- ✓ **TERMLY EXAMS**
- ✓ **QUICK REVISION KITS**
- ✓ **KCSE TOPICALS**
- ✓ **KCSE PREMOCKS**
- ✓ **TOP SCHOOLS PREMOCKS**
- ✓ **JOINT PREMOCKS**
- ✓ **KCSE MOCKS**
- ✓ **TOP SCHOOLS MOCKS**
- ✓ **JOINT MOCKS**
- ✓ **KCSE POSTMOCKS**
- ✓ **TOP SCHOOLS PREDICTIONS**
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