



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2024 1 EXAMINATION**

**COURSE CODE: BUS 726**

**COURSE TITLE: GLOBAL ECONOMIC ENVIRONMENT**

**CREDIT UNIT: 3**

**TIME: 2 HRS**

- INSTRUCTIONS:**
- 1. Indicate your Matriculation Number Clearly**
  - 2. Attempt question one (1) and any other two (2) questions: three questions in all**
  - 3. Question one (1) is compulsory and carries 30 marks, while the other questions carry 20 marks each.**
  - 4. Present all your points in a coherent and orderly manner.**

**QUESTION ONE**

- a. Define free trade. **(5MARKS)**
- b. Differentiate between direct selling and indirect selling in export strategy? **(10MARKS)**
- c. Discuss 3 factors a company needs to consider before making an export decision? **(15MARKS)**

**QUESTION TWO**

- a. What is effective negotiation?
- b. Discuss the process of negotiation? **(20MARKS)**

**QUESTION THREE**

- a. Explain rent for surplus theory in relation to international trade?
- b. How does the theory of factor proportions impact international trade? **(20MARKS)**

**QUESTION FOUR**

- a. State the 3 substantive agreement at the Uruguay round of the WTO?
- b. How has the WTO influenced international business? **(20MARKS)**