



ICM

DECEMBER 2016

INTERNATIONAL TRADE & PAYMENTS II

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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- 1. Explain what **consignment trading** and **pick-a-back schemes** are and review how they support the system of international trading. [20]
 - 2. Critically review the impact of international debt on trading between countries. [20]
 - 3. Explain the law of comparative advantage and critically evaluate the view that it is no longer relevant in the modern-day global economy. [20]
 - 4. Incoterms are widely considered to have made a substantial impact on international trade and underpinning relationships between trading partners. Explain what **incoterms** are and assess how they have contributed to international trade. [20]
 - 5. Explain what **countertrade** is and assess whether or not it makes a positive contribution to trading between countries in the global community. [20]
 - 6. Review what **open account trading** is and assess its contribution to international trading. [20]
 - 7. Explain how factoring companies support global trading. [20]
 - 8. Review the main forms of credit insurance cover and explain how it supports international trading. [20]