

**SECTION A**  
**CASE STUDY (25 marks)**

**QUESTION 1****Malaysia Confident To Woo More German Investors**

Malaysia is confident of wooing more German investors as several multinationals from that European nation have showed interest to invest in the country, Deputy Minister of International Trade and Industry Datuk Mukhriz Tun Dr Mahathir said Wednesday.

He said potential German investors have held negotiations with the Malaysia Investment Development Authority (MIDA) and Malaysia External Trade Development Corporation (Matrade).

"Some of these companies could see the investment potential in Malaysia. This is a good sign for the future of the country's economy.....", he told reporters after opening Blaupunkt Malaysia Sdn Bhd's regional distribution centre at the Bukit Tengah Industrial Park.

Mukhriz said the 80 German companies, which have invested in Malaysia thus far, are engaged in diverse industries including producing machinery parts, electrical and electronics components and automotive spare parts.

He said the electrical and electronics sector has been identified as a major sector under the Economic Transformation Plan.

-- **BERNAMA**

Based on news above, answer the question below.

- a) Discuss **FIVE (5)** functions of Malaysia External Trade Development Corporation (MATRADE). [ CLO 2 : C3]  
(10 marks)
- b) Datuk Mukhriz Tun Dr Mahathir stated "Some of these companies could see the investment potential in Malaysia. This is a good sign for the future of the country's economy," Explain **FIVE (5)** advantages Malaysia gain from foreign trade. [ CLO 2 : C4]  
(15 marks)

**POLITEKNIK**  
Jabatan Pengajian Politeknik

EXAMINATION AND EVALUATION DIVISION  
DEPARTMENT OF POLYTECHNIC EDUCATION  
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION

JUNE 2012 SESSION

**PP504: INTERNATIONAL TRADE**

**DATE : 24 NOVEMBER 2012 (SATURDAY)**

**DURATION : 2 HOURS (2.30 PM - 4.30 PM)**

This paper consists of **FOUR (4)** pages including the front page.

Section A: Case Study (1 question – answer all)

Section B: Essay (3 questions – answer all)

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**BY THE CHIEF INVIGILATOR**

(The CLO stated is for reference only)

## QUESTION 3

- a) Describe **TWO (2)** benefits of INCOTERMS in international trade.  
[CLO 3: C3]  
(4 marks)
- b) Illustrate the Process of EXW (Ex Works). Discuss.  
[CLO 3: C3]  
(12 marks)
- c) Explain **TWO (2)** groups classified in INCOTERMS 2010.  
[CLO 3: C3]  
(9 marks)

## SECTION B

## ESSAY (75 marks)

## INSTRUCTION:

This section consists of **THREE (3)** essay questions. Answer **ALL** questions.

## QUESTION 1

- a) i) Briefly define International Trade. [CLO 1: C2]  
(4 Marks)
- ii) Discuss **THREE (3)** differences between international trade and domestic trade. [CLO 1: C2]  
(6 Marks)
- b) Discuss **FIVE (5)** levels of economic integration. [CLO 1: C3]  
(15 Marks)

## QUESTION 2

- a) Briefly explain the following :  
i. The New Trade Theory. [CLO 2: C3]  
(5 marks)
- ii. Comparative Advantage Theories. [CLO 2: C3]  
(5 marks)
- b) Explain **TWO (2)** weaknesses of Absolute Advantage Theory. [CLO 2: C3]  
(6 marks)
- c) Discuss **THREE (3)** types of non-tariff barriers imposed by government in order to help local producers. [CLO 2: C3]  
(9 marks)