

**UNIVERSITY OF OSLO**  
**DEPARTMENT OF ECONOMICS**

Postponed exam: **ECON4415 – International trade**

Date of exam: Tuesday, January 8, 2008

Time for exam: 09:00 a.m. – 12:00 noon

The problem set covers 1 page

Resources allowed:

- No resources allowed

The grades given: A-F, with A as the best and E as the weakest passing grade. F is fail.

**Problem 1**

Show graphically and explain why there are potential gains from trade.

Explain under what circumstances there are no gains from trade.

Discuss how the gains from trade may be realized.

**Problem 2**

What distinguishes the Specific Factor model from the Heckscher-Ohlin model?

What do the two models tell us about the impact of international labor migration on production and factor prices? Who gains and who loses because of migration?

Discuss and show graphically.

**Problem 3**

Can import tariffs be used as a tool to maximize the gains from trade? Discuss and show graphically.