



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: POST GRADUATE DIPLOMA IN DEVELOPMENT FINANCE	
QUALIFICATION CODE: 08PGDD	LEVEL: 8
COURSE CODE: TFN820S	COURSE NAME: TRADE FINANCE
SESSION: NOVEMBER 2025	PAPER: THEORY AND APPLICATIONS (PAPER 1)
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINERS	Lameck Odada
MODERATOR	Prof Leward Jeke

INSTRUCTIONS	
<ol style="list-style-type: none">1. This question paper consists of FOUR (4) Questions.2. Answer ALL the FOUR (4) questions in blue or black ink only. NO PENCIL and TIPEX3. Start each question on a new page and number the answers correctly and clearly.4. Write clearly and neatly and show all your formulas, workings, and assumptions.5. Questions relating to this examination may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to address any perceived errors or ambiguities, and any assumptions they make should be clearly stated.	

PERMISSIBLE MATERIALS

1. Black or blue ink pen and a ruler

THIS QUESTION PAPER CONSISTS OF 3 PAGES (including this front page)

QUESTION 1**[25 MARKS]**

International trade, while offering significant growth opportunities, exposes businesses to various risks that can impact profitability and stability. Effective risk management is crucial for businesses engaging in international trade, as it helps mitigate potential negative consequences and ensures smooth operations.

REQUIRED	MARKS
Identify and discuss any five (5) risks in international trade. You are required to provide your answers in a table format showing the type of risk, description, example(s), and mitigation strategies	25

QUESTION 2**[25 MARKS]**

International trade is the exchange of goods, services, and capital across international borders. It is a fundamental part of the global economy, enabling countries to specialise in production, access a wider variety of goods, and foster economic growth.

REQUIRED	MARKS
a) Identify any five (5) international trade theories	5
b) Critically evaluate any five (5) characteristics of international trade	10
c) Identify and discuss any five (5) barriers/difficulties in international trade	10

QUESTION 3**[25 MARKS]**

To succeed in today's global marketplace and win sales against foreign competitors, exporters must offer their customers attractive sales terms supported by the appropriate payment methods. Because receiving payment in full and on time is the ultimate goal for each export sale, a suitable payment method must be chosen carefully to minimize payment risk while also accommodating the buyer's needs. The choice of method often depends on the level of trust between the buyer and seller, the value of the transaction, and the level of risk each party is willing to take.

REQUIRED	MARKS
a) Identify any FIVE (5) key factors determining the payment method.	5
b) Identify and describe any FIVE (5) payment methods in international trade.	20

QUESTION 4**[25 MARKS]**

Incoterms are International Commercial Terms, a set of standardised rules published by the International Chamber of Commerce (ICC) that clarify the responsibilities, costs, and risks between buyers and sellers in international and domestic sales contracts for goods. They define who handles shipping, insurance, customs clearance, and risk transfer for goods, promoting clear communication and preventing costly misunderstandings.

REQUIRED	MARKS
Critically evaluate any FIVE (5) Incoterms in trade finance	25

END OF EXAMINATION PAPER