

ESSCA. European Economics. INT 356. Exam 2019

Answer ALL questions. 100 marks. 2 HOURS

ANSWERS FOR PART A MAY BE IN NOTE / LIST FORM. No dictionaries or calculators allowed.

This exam is separated into two parts – Part A with short-answer questions, and Part B with questions requiring longer answers. You should spend about 1 hour per section.

PART A

Short-answer questions / 50

1. Normal export sales to Brazil are 1,000 units per year. The elasticity of my product is -3. Due to a strengthening Euro, the price in Brazilian Reais increases by 25%. What will my future export sales be? (4 marks)
2. List the Maastricht Criteria, required to join the EMU (5 marks)
3. Which member of the EU is not on the European Continent? (2 marks)
4. What is the policy difference between the Airbus A380 and the US Dreamliner? (2 marks)
5. How does a government estimate its annual budget? (2 marks)
6. If a government increases its interest rate, what will be the effect on: (5 marks)
 - a) Consumer spending
 - b) Savings
 - c) Currency value
 - d) Exports
 - e) Inflation
7. What is the difference between Monetary and Fiscal control? (2 marks)
8. What is an IMF restructuring plan? (4 marks)
9. What is the European Single Market? (3 marks)
10. What is the difference between GDP and HDI? (4 marks)
11. Give the HDI and Gini scores for your country? (name the country) (4 marks)
12. How did the Bretton Woods agreement fix currency values? (3 marks)
13. What is an ISDS? (2 marks)
14. What is a Customs Union? (2 marks)
15. Give an example of an EU Trade Agreement (either completed or being negotiated) (2 marks)
16. What is the difference between a progressive and regressive tax or duty? Give one example of each. (4 marks)

PART B

Long-answer questions / 50

1. Describe one Tax, Duty or Benefit and its social and economic implications. (25 marks)
2. Describe a Case Study of lobbying. (25 marks)