

Study Questions

Lecture 2 Institutions of the International Economy

Part 1: Multiple Choice

Select the **best** answer of those given.

1. Which of the following is *not* one of the international economic institutions that were created at the end of World War II?
 - a. International Monetary Fund
 - b. International Bank for Reconstruction and Development
 - c. General Agreement on Tariffs and Trade
 - d. World Trade Organization
 - e. World Bank

2. During the half century since the end of World War II,
 - a. The major currencies of the world, which initially had flexible exchange rates, have become fixed.
 - b. The World Bank has switched from providing assistance to poor countries to primarily settling transactions among rich countries.
 - c. The GATT has been transformed into the WTO.
 - d. The IMF has changed from being a members-only bank to being a mutual fund for investment in emerging-economy stock markets.
 - e. Tariffs levied by developed countries against developing-country exports have increased.

3. Which of the following was the name of one of the GATT negotiating rounds?
 - a. NAFTA
 - b. Wilbur
 - c. Nixon
 - d. Seattle
 - e. Uruguay

4. Which of the following is *not* an example of an international public good?
 - a. Open markets in a recession
 - b. Capital flows to less-developed countries
 - c. Money for settlement of international debts
 - d. Coordination of last resort lending
 - e. Exploration for new oil deposits

5. Near the end of World War II, the architecture of the postwar economic environment was constructed at a conference of the major Western powers held at?
 - a. Geneva, Switzerland
 - b. Bretton Woods, New Hampshire
 - c. New York City
 - d. Versailles, France
 - e. Stratford on Avon, England

6. How many countries are member of the G-20?
 - a. 7
 - b. 8
 - c. 19
 - d. 20
 - e. 24

7. What, according to the assigned article by Wenk about the December 2011 WTO Ministerial Meeting, was the role of the US business community in the Doha Round?
 - a. The Doha Round succeeded because of active lobbying by the US business community.
 - b. The Doha Round failed in spite of the active involvement of the US Chamber of Commerce.
 - c. The Doha Round succeeded in spite of opposition from the major corporations in the US.
 - d. The Doha Round failed because US companies lobbied the Congress to maintain high barriers to trade.
 - e. The US business community has paid little attention to the Doha Round, because the recession has turned its attention inward.

8. Which of the following countries is not currently negotiating to be part of the Trans-Pacific Partnership?
 - a. Brunei
 - b. United States
 - c. Chile
 - d. China
 - e. Malaysia

Part II: Short Answer

Answer in the space provided.

1. Define the following terms:
 - a. Conditionality

 - b. National Treatment

 - c. Free Riding

