

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 members of the group of both developed and developing countries called the G-20?
 - a. 7
 - b. 8
 - c. 19
 - d. 20
 - e. 24

7. Which of the following countries is not currently negotiating to be part of the Regional Comprehensive Economic Partnership?
 - a. Brunei
 - b. United States
 - c. Chile
 - d. China
 - e. Malaysia

8. By when must the EU-UK negotiations be completed for the terms of the exit of the UK from the EU?
 - a. By 2 years from the date that Prime Minister Cameron announced that there would be a referendum.
 - b. By 2 years from when Prime Minister Cameron officially informed the EU of the UK's intent to leave.
 - c. By 2 years from March 29, 2017, when the UK initiated the Article 50 process.
 - d. By June 23, 2018.
 - e. By December 31, 2018.

9. Which of the following is a free trade agreement that the United States is currently part of but is renegotiating?
 - a. The US-Israel FTA
 - b. NAFTA
 - c. KORUS
 - d. The Trans-Pacific Partnership
 - e. The US-Japan FTA

Part II: Short Answer

Answer in the space provided.

1. Define the following terms:
 - a. Conditionality

 - b. National Treatment

 - c. Free Riding

- d. G-7
2. What is or was the Marshall Plan?
3. Who, according to a graphic shown in lecture, are “the Three Stooges of Corporate Folly”?
4. What is the current status of the Doha Development Round?
5. Which of the products listed below are being considered by the Trump administration (as of January 2017) for additional tariffs?
- Coal
 - Aluminum
 - Washing machines
 - Cars
 - Solar panels
 - Steel
 - Coffee

6. What do the following acronyms stand for, and what do they mean?

a. MFN

b. ITO

c. WIPO

d. GATT

e. SDR

f. EME