

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 Donnan about the December 2013 WTO Ministerial Meeting, is meant by “trade facilitation”?
- Export subsidies
 - Import subsidies
 - A package to help businesses get their products through borders more easily
 - Reform of export credit facilities
 - Expansion of national export-import banks
8. Which of the following countries is not currently negotiating to be part of the Trans-Pacific Partnership?
- Brunei
 - United States
 - Chile
 - China
 - Malaysia

Part II: Short Answer

Answer in the space provided.

1. Define the following terms:
- Conditionality
 - National Treatment
 - Free Riding
 - G-7