

NAME:

Global Market and Economic Policies
Module 1: Topics in Global Markets

Exam

9 January 2018

Time available: one hour

Section 1 (15 points)

Answer all questions

1) China has a comparative advantage in all productions (5 points)

True.... False.....

Why ?

2) After the Great Depression the trade war between the two sides of the Atlantic could have been avoided with an institution similar to the WTO (5 points)

True.... False.....

Why ?

1) An import tariff imposed by a big country on imports of good A can generate losses for domestic producers of good A (5 points)

True.... False.....

Why ?

Section II (15 points)

Answer one of the following questions

- 1) Discuss the most important characteristics of globalization and global extreme poverty
OR
- 2) Introduce the concept of Foreign Direct Investment. Suppose you are producing a good in Italy and you want to sell it in India. What are the alternatives to FDI and what are the relevant variables to decide among the various forms of internationalization.

