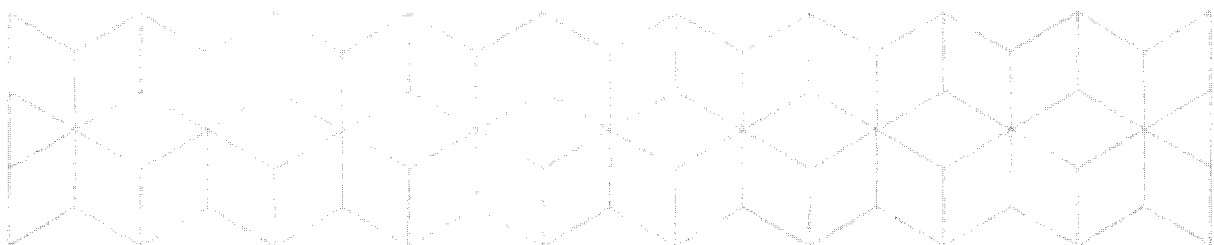


EXAMINATION

Course code: SFB11615	Course: International Economics
Date: 5.1.2017	Duration: 4 hours, 09:00-13:00
Permitted sources: Calculator, mother tongue - English - mother tongue dictionary	Lecturer: Trond-Arne Borgersen
The examination: The examination papers consist of 2 pages inclusive this page. Please check that the examination papers are complete before you start answering the questions. The candidate should attempt to answer all 3 questions.	
Date of announcement of the examination results: 26.1.2017 The examination results are available on the Studentweb no later than two workdays after the announcement of the examination results www.hiof.no/studentweb	



Exam –SFB 11615 International Economics

January 2017

Question 1

Consider two groups of countries (industrialized and developing) and two industries (manufacturing and agriculture). Use these countries and industries to answer the following question(s).

What are the effects of liberalizing trade on income distribution: (a) in the short run, and (b) in the long run.

Question 2

Discuss problems and advantages a small open economy would meet on entering a monetary union.

Question 3

Consider a small open economy with a flexible exchange rate regime. Discuss the effects of a global recession on domestic activity and unemployment.