

Midterm Exam

Due Mar 20 at 11:59pm

Points 100

Questions 25

Available Mar 20 at 12am - Mar 20 at 11:59pm about 24 hours

Time Limit 60 Minutes

Instructions

Please carefully read the instructions before you begin.

- This test has a 60-minute time limit. The timer will not stop once it has started. As such, please ensure that you are fully prepared to complete the exam before you start.
- Some questions have multiple parts. All parts of a question should be answered before submitting the exam. Blank responses will be marked incorrect.
- Input numerical responses as either a whole number (e.g., 10) or a decimal rounded to the tenths or hundredths place (e.g., 10.5 or 10.50) unless otherwise noted in the instructions of the question. Do NOT submit answers as a fraction (e.g., 10/3). Do NOT include percentage (%), dollar (\$) signs, or commas (,) in your answer. For example, write "1000" not "\$1,000".
- Be sure to carefully read the questions and their instructions.

This quiz was locked Mar 20 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	57 minutes	92.8 out of 100

Score for this quiz: **92.8** out of 100
Submitted Mar 20 at 11:41pm
This attempt took 57 minutes.

Question 1

10 / 10 pts

The following table depicts the labor productivity of Spain and Portugal for pairs of shoes and bottles of wine.

	Spain	Portugal
Shoes	4	6
Wine	5	5

Portugal has an absolute advantage in the production of Shoes.

Spain's opportunity cost for a pair of shoes is 5/4 Bottles

Portugal's opportunity cost for a pair of shoes is 5/6 Bottles

Portugal has a comparative advantage in shoes.

The lower bound of the trade price of shoes is 5/6 Bottles

The upper bound of the trade price of shoes is 5/4 Bottles

Answer 1:

Correct!

Portugal

Answer 2:

Correct!

5/4 Bottles

Answer 3:

Correct!

5/6 Bottles

Answer 4:

Correct!

Portugal

Answer 5:

Correct!

5/6 Bottles

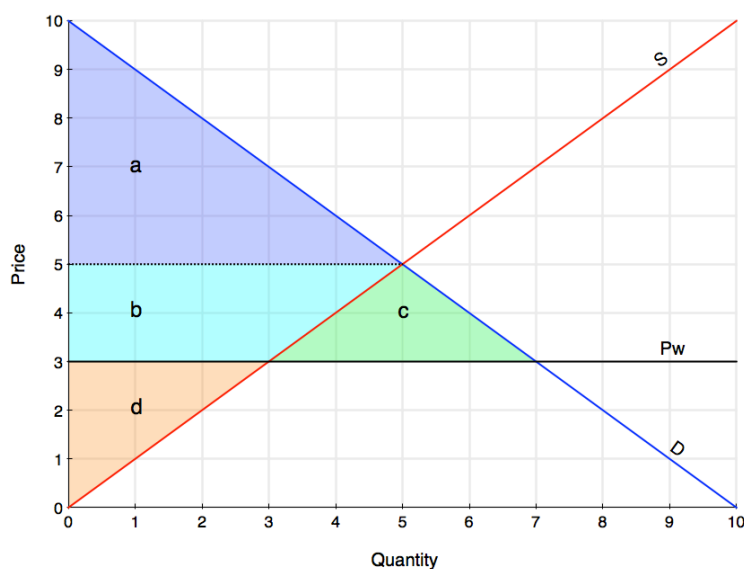
Answer 6:

Correct!

5/4 Bottles

Question 2

10 / 10 pts



The figure above represents the domestic market for a particular good. The line S depicts the domestic supply of the good. The line D depicts the domestic demand for the good. The line Pw represents the world prices of the good. You may also view the figure by using the following link: [ECO300 Midterm](#)

[Figure 1.pdf](#)  

The area(s) a represent(s) consumer surplus without trade.

The area(s) b+d represent(s) producer surplus without trade.

The area(s) a+b+c represent(s) consumer surplus with trade.

The area(s) d represent(s) producer surplus with trade.

The area(s) c represent(s) the gains from trade.

The area(s) b represent(s) the domestic producer surplus lost due to trade.

Answer 1:

Correct!

a

Answer 2:

Correct!

b+d

Answer 3:

Correct!

a+b+c

Answer 4:

Correct!

d

Answer 5:

Correct!

c

Answer 6:

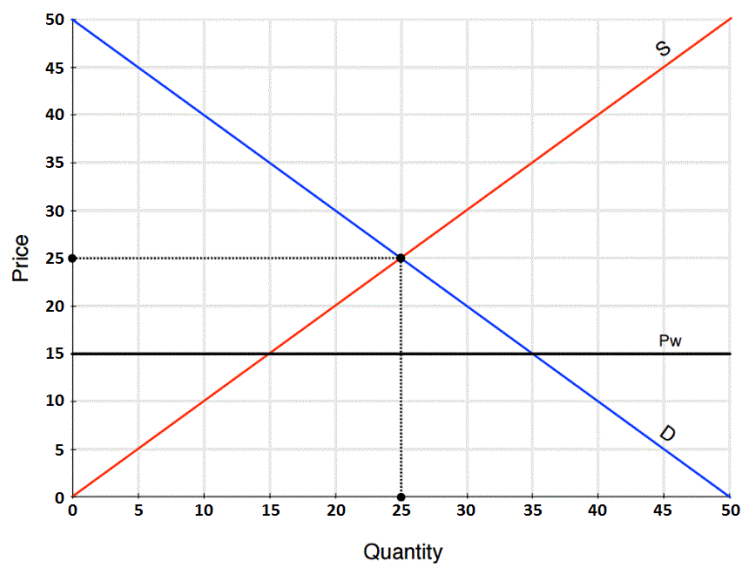
Correct!

b

Question 3

22 / 26 pts

The figure below depicts the domestic market for a particular good. The curve labeled S represents domestic supply. The curve labeled D represents domestic demand. The line labeled P_w is the world price of the good.



Use the graph to answer the following questions:

Assume that international trade HAS NOT been established.

The equilibrium price is \$.

The equilibrium quantity is units.

The value of consumer surplus is \$.

The value of producer surplus is \$.

Assume that international trade HAS been established.

The quantity of domestic consumption is units.

The quantity of domestic production is units.

The quantity of imports is units.

The value of consumer surplus is \$.

The value of producer surplus is \$.

Assume that international trade HAS been established. Further, assume now that the home country has imposed a \$5 tariff on imports of the good.

The new value of consumer surplus is \$.

The new value of producer surplus is \$.

The government revenue from the tariff is \$.

Assume that international trade HAS been established. Further, assume now that instead of a tariff, the home country has imposed a 10 unit quota on imports of the good. Also assume that the exporting firms have organized into a monopoly.

The total welfare loss (i.e. the deadweight AND revenue losses) to the domestic country from the quota is .

Answer 1:

- Correct! 25
- Correct Answer 25.0
- Correct Answer 25.00
- Correct Answer \$25
- Correct Answer \$25.0
- Correct Answer \$25.00

Answer 2:

- Correct! 25
- Correct Answer 25.0
- Correct Answer 25.00

Answer 3:

- Correct! 312.5
- Correct Answer 312.50

Correct Answer	312.500
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Correct Answer	\$312.5
----------------	---------

Correct Answer	\$312.50
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Correct Answer	\$312.500
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Answer 4:

Correct!	312.5
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Correct Answer	312.50
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Correct Answer	312.500
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Correct Answer	\$312.5
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Correct Answer	\$312.50
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Correct Answer	\$312.500
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Answer 5:

Correct!	35
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Correct Answer	35.0
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Correct Answer	35.00
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Answer 6:

Correct!	15
----------	----

Correct Answer	15.0
----------------	------

Correct Answer	15.00
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Answer 7:

Correct!	20
----------	----

Correct Answer	20.0
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Correct Answer	20.00
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Answer 8:

Correct!	612.5
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Correct Answer 612.50

Correct Answer \$612.5

Correct Answer \$612.50

Answer 9:

Correct! 112.5

Correct Answer 112.50

Correct Answer \$112.5

Correct Answer \$112.50

Answer 10:

Correct! 450

Correct Answer 450.0

Correct Answer 450.00

Correct Answer \$450

Correct Answer \$450.0

Correct Answer \$450.00

Answer 11:

Correct! 200

Correct Answer 200.0

Correct Answer 200.00

Correct Answer \$200

Correct Answer \$200.0

Correct Answer \$200.00

Answer 12:

You Answered 25

Correct Answer 50

Correct Answer	50.0
Correct Answer	50.00
Correct Answer	\$50
Correct Answer	\$50.0
Correct Answer	\$50.00

Answer 13:

You Answered

237.5

Correct Answer	75
Correct Answer	75.0
Correct Answer	75.00
Correct Answer	\$75
Correct Answer	\$75.0
Correct Answer	\$75.00

Question 4

4.8 / 6 pts

Notes:

- Provide your answers as a whole number (e.g., 60 and NOT 60.0, 60%, 0.60, or \$60). Incorrectly submitted answers will be counted incorrect.

Suppose a good is produced in a country from a combination of foreign parts and domestic inputs. If the good sells for \$800 but requires \$500 of imported parts. The domestic value added is \$

300

Assuming the country cannot change the world price, a 10% tariff on the good will cause the domestic price to rise to \$ 880 and cause the domestic value added to become \$

380

. In this case, the effective rate of protection is 27 %.

If, in addition to the 10% tariff on the final good, a 10% tariff on imported parts is levied, the effective

rate of protection for domestic manufacturers becomes %.

Answer 1:

Correct! 300

Correct Answer 300.0

Correct Answer 300.00

Answer 2:

Correct! 880

Correct Answer 880.0

Correct Answer 880.00

Answer 3:

Correct! 380

Correct Answer 380.0

Correct Answer 380.00

Answer 4:

You Answered

Correct Answer 40

Correct Answer 40.0

Correct Answer 40

Correct Answer 40.0%

Answer 5:

Correct! 10

Correct Answer 10%

Correct Answer 10.0

Correct Answer 10.0%

Question 5**2 / 2 pts**

According the Mercantilist ideology, international trade is _____.

- ☐ a win-win proposition
- ☒ a win-lose proposition
- ☐ a lose-lose proposition

Correct!**Question 6****2 / 2 pts**

When a firm or industry has very high fixed research and product development costs, the following trade model and/or cost structure can often be used to explain why specialization and trade occurs:

- ☐ External economies of scale
- ☒ Internal Economies of Scale
- ☐ The product life cycle
- ☐ Factor price equalization

Correct!**Question 7****0 / 2 pts**

The classroom (i.e., video) example of factor price equalization had to do with:

- ☐ Levi jeans being bought in Oregon and sold in Japan
- ☒ Nike shoes being bought in Argentina and sold in Mexico
- ☐ Dell computers being bought in China and sold in the USA
- ☐ Krispy Creme donuts being bought in North Carolina and sold in New York

Correct Answer**You Answered**

Question 8**2 / 2 pts**

When comparing the dynamic response to an increase in demand _____.

- ☐ price will rise less rapidly with a quota compared to a similar tariff
- ☒ price will rise more rapidly with a quota compared to a similar tariff
- ☐ price will rise the same with a quota compared to a similar tariff
- ☐ price will only increase with a tariff

Correct!**Question 9****2 / 2 pts**

Public goods are _____

- ☐ rival and excludable
- ☒ non-rival and non-excludable
- ☐ non-rival and excludable
- ☐ rival and non-excludable

Correct!**Question 10****2 / 2 pts**

Economies of scale based intra-industry trade models are primarily drive by _____.

- ☒ differences in demand
- ☐ differences in natural resources

Correct!

Question 11**2 / 2 pts**

Because of _____, private markets tend to underproduce the optimal quantity of public goods.

Correct!

- ☒ free riders
- ☐ institutions
- ☐ government
- ☐ excludability and rivalry

Question 12**2 / 2 pts**

The economic theory that underlies the need for institutions like the WTO is based on the _____ nature of most international agreements.

Correct!

- ☒ public goods
- ☐ lose-lose
- ☐ winner-take-all
- ☐ adversarial

Question 13**2 / 2 pts**

The following is true for a nation that engages in trade.

Correct!

- ☐ It is possible to both produce and consume beyond its PPF
- ☒ It is only possible to consume beyond its PPF
- ☐ It is only possible to produce beyond its PPF

- ☐ It is not possible to produce or consume beyond its PPF

Question 14

2 / 2 pts

The GATS subsection of the WTO primarily deals with

- ☐ illegal subsidies
- ☐ issues associated with sub-Saharan Africa
- ☒ service industries
- ☐ special trade blocks, like NAFTA and the EU

Correct!

Question 15

2 / 2 pts

One argument for the growing income gap between the unskilled and skilled workers in America is that unskilled workers are _____ with technology and skilled are _____ with technology.

- ☐ substitutes, substitutes
- ☒ substitutes, complements
- ☐ complements, complements
- ☐ complements, substitutes

Correct!

Question 16

2 / 2 pts

Compared to a small country, when a large country imposes a tariff the price will increase by _____.

- ☐ a larger amount

Correct!

☒ a smaller amount

☐ the same amount

Question 17

2 / 2 pts

The GATT was founded_____.

☐ shortly after WWI

Correct!

☒ shortly after WWII

☐ during the Great Depression

☐ during the Industrial Revolution

Question 18

2 / 2 pts

During the Great Depression the Smoot Hawley act had the following effects

☐ International trade decreased and protectionist policies decreased

☐ International trade expanded and protectionist policies decreased

Correct!

☒ International trade decreased and protectionist policies increased

☐ International trade expanded and protectionist policies increased

Question 19

2 / 2 pts

A policy which requires governments to purchase nationally produced goods and services is commonly referred to as a _____.

Correct!

☒ procurement policy

☐ subsidy policy

☐ infant industry policy

☐ tariff policy

Question 20

2 / 2 pts

The economist who held opposing view to J M Keynes during the great depression was _____.

Correct!

☒ F A Hayek

☐ Allan Greenspan

☐ Ben Bernanke

☐ Paul Krugman

Question 21

2 / 2 pts

According to the theory of factor price equalization, with increased international trade the wage gap between skilled and unskilled workers in the US should _____ and the wages of unskilled workers in Mexico should _____.

Correct!

☒ increase, increase

☐ decrease, decrease

☐ increase, decrease

☐ decrease, increase

Question 22**2 / 2 pts**

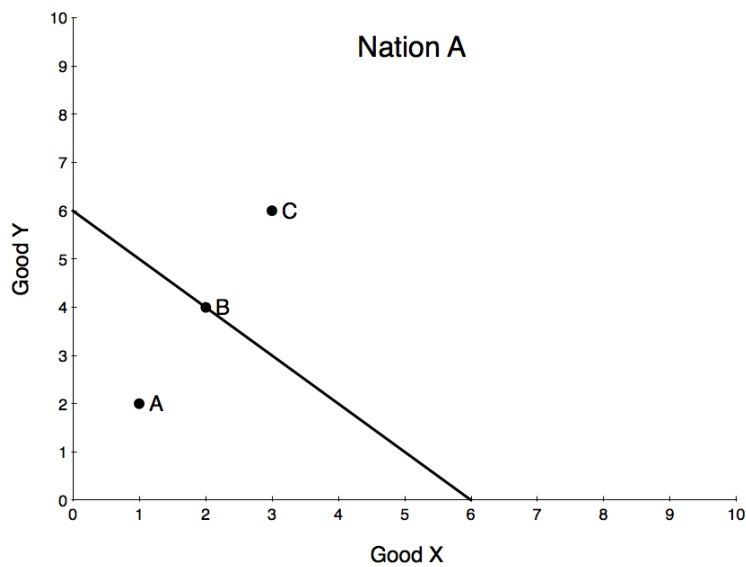
The GATT was transformed into the WTO during the ____ round of trade negotiations.

Correct!☒ Uruguay☐ Seattle☐ Geneva☐ Tokyo**Question 23****2 / 2 pts**

Since the end of the World War II era the average tariff rates imposed by developed nations have generally been ____ .

Correct!☐ increasing☒ decreasing☐ stable, with rates for the most part remaining unchanged☐ very volatile, with some years experiencing over a 50% increase in average rates and other years experiences over a 50% decrease in average rates**Question 24****5 / 5 pts**

Consider the following figure:



If the figure does not appear for you, you can view it by clicking this link: [2NationPPFA.pdf](#)  

Point A is inefficient and represents a wasteful level of output. .

Point B represents a point where the economy is operating at full employment, because it lies on the PPF .

Point C is infeasible because resources do not permit the production of goods X and Y at these levels.

Answer 1:

Correct!

is inefficient and represents a wasteful level of output.

Answer 2:

Correct!

represents a point where the economy is operating at full employment, because it lies on the PPF

Answer 3:

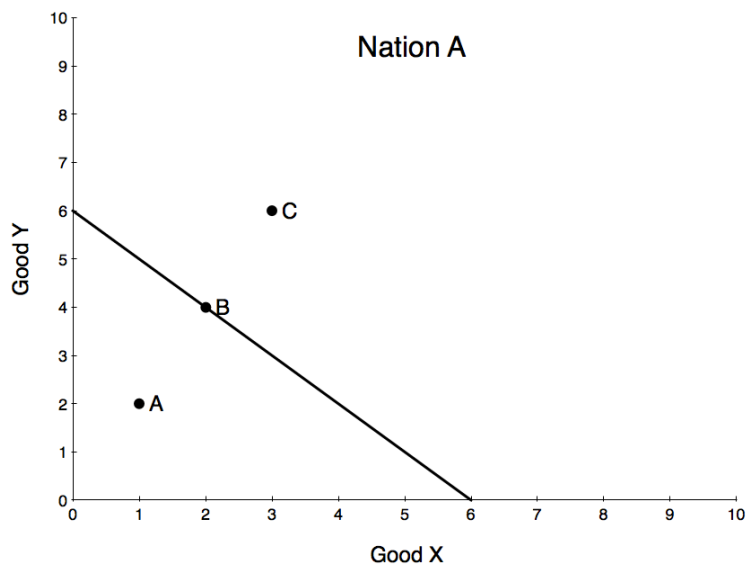
Correct!

is infeasible because resources do not permit the production of goods X and Y at these levels.



Question 25

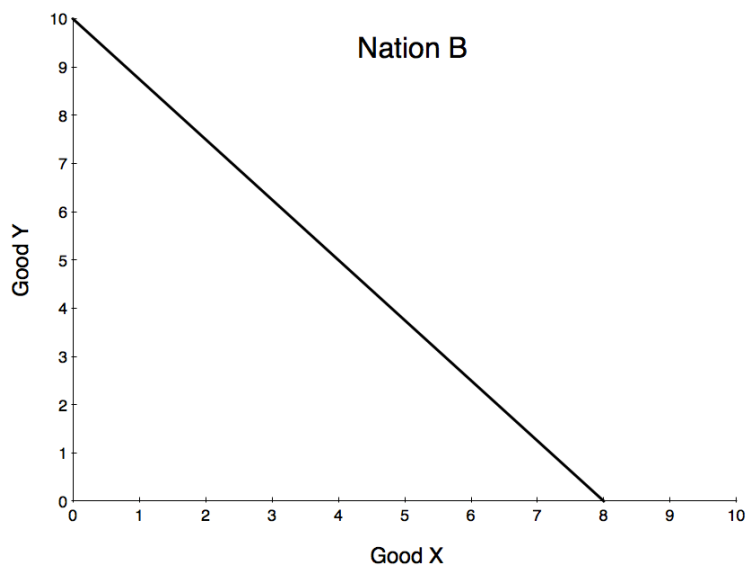
5 / 5 pts

Consider the following two figures:




If the figure does not show for

you it can be viewed via this link: [2NationPPFA.pdf](#)  



If the figure does not show for

you it can be viewed via the following link: [2NationPPFB.pdf](#)  

For Nation A, the opportunity cost of a unit of good X is Y.

For Nation B, the opportunity cost of a unit of good X is Y.

A price of 1.125 Y for a unit of X would result in a win-win trading situation.

Answer 1:

Correct!

1

Answer 2:

Correct!

1.25

Answer 3:

Correct!

1.125

Quiz Score: **92.8** out of 100

Unit 1 Quiz

Due Jan 27 at 11:59pm	Points 100	Questions 40	Available Jan 17 at 12am - Jan 27 at 11:59pm 11 days
Time Limit None			

This quiz was locked Jan 27 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	36 minutes	82.5 out of 100

Score for this quiz: **82.5** out of 100
Submitted Jan 26 at 5:03pm
This attempt took 36 minutes.

Correct!

Question 12.5 / 2.5 pts

Which of the following best describes globalization?

☐ The purchase of foreign stocks and bonds

☐ Cheap imports from China

☒ Economic integration

☐ Job losses to India

Correct!

Question 22.5 / 2.5 pts

During what era did the United States have its highest levels of protectionism?

☐ The Cold War

☐ The Industrial Revolution

☒ The Great Depression

- ☐ The years immediately following 9/11/2001

Question 3

2.5 / 2.5 pts

Who was the first economist to refute classical macroeconomic theory by suggesting that prices were "sticky" and could lead to prolonged periods of unemployment?

Correct!

☒ John Maynard Keynes

☐ Thomas Friedman

☐ Friedrich Von Hayek

☐ Smoot Hawley

Question 4

2.5 / 2.5 pts

This region of the world has realized the fewest benefits from globalization.

Correct!

☒ Sub-Saharan Africa

☐ Western Europe

☐ China

☐ The United States

Question 5

2.5 / 2.5 pts

According to polling data, American's often hold views about the various aspects of globalization that

☐ Are perfectly consistent with one another

Correct!

- ☐ Are theoretically accurate
- ☒ Seemingly contradict one another
- ☐ Are completely wrong

Question 6

2.5 / 2.5 pts

Cross border trade and sophisticated financial interactions between nations

- ☐ Began when China joined the World Trade Organization
- ☐ Began shortly after WWII
- ☒ Dates back to at least the Roman Empire
- ☐ Began during the first Industrial Revolution

Correct!

Question 7

2.5 / 2.5 pts

During the Great Depression (1930-1939) the unemployment rate in the United States was nearly

- ☐ 10%
- ☐ 50%
- ☐ 5%
- ☒ 25%

Correct!

Question 8

0 / 2.5 pts

During the Great Depression the Gold Standard fixed exchange rate system

You Answered

☒ Was initiated as a tool to attempt to restore economic growth

Correct Answer

☐ Came to an end

☐ Was replaced by the Bretton Woods exchange rate system

☐ Lead to the rise of the Nazi Party in Germany

Question 9

2.5 / 2.5 pts

During the Great Depression the volume of world trade shrank by roughly ____% in dollar value.

☐ 15%

☐ 90%

☐ 40%

Correct!

☒ 65%

Question 10

2.5 / 2.5 pts

The economist of the time who was most skeptical of an economy's ability to recover on its own during the Great Depression was

Correct!

☒ John Maynard Keynes

☐ Friedrich Von Hayek

☐ Adam Smith

☐ Milton Friedman

Question 11**2.5 / 2.5 pts**

Friedrick Von Hayek's famous book which warned his fellow British citizens of the dangers of socialism was titled

☐ The Economic Consequences of the Peace

☒ The Road to Serfdom

☐ The Wealth of Nations

☐ The World is Flat

F**Correct!****Question 12****0 / 2.5 pts**

The Smoot-Hawley Act

☐ Reduced tariffs in order to restore international trade and commerce during WWII

☒ Reduced tariffs in order to restore international trade and commerce during the Great Depression

☐ Increased tariffs in order to limit import competition during the Great Depression

☐ Increased tariffs in order to limit import competition during WWII

You Answered**Correct Answer****Question 13****2.5 / 2.5 pts**

Which of the following institutions did NOT emerge from the conference at Bretton Woods shortly after WWII?

☒ The United Nations

☐ The International Bank for Reconstruction and Development/World Bank

Correct!

☐ The General Agreement of Tariffs and Trade

☐ The International Monetary Fund

Question 14

2.5 / 2.5 pts

When did the Bretton Woods exchange rate system end?

Correct!

☒ During the 1970's

☐ During the Asian financial crisis of the 1990's

☐ During the Great Depression

☐ At the end of WWII

Question 15

0 / 2.5 pts

Which of the following was a more successful development and growth strategy during the 1970's and 1980's?

You Answered

☒ Import substitution based growth

☐ Communism

☐ Socialism

Correct Answer

☐ Export-led growth

Question 16

2.5 / 2.5 pts

Globalization and trade liberalization tends to make markets _____ effecient, causing change to occur _____ quickly.

Correct!

- ☐ less; less
- ☒ more; more
- ☐ less; more
- ☐ more; less

Question 17

2.5 / 2.5 pts

The fall of the Soviet Union occurred in

- ☐ 1981
- ☐ 1995
- ☒ 1991
- ☐ 1989

Correct!

Question 18

2.5 / 2.5 pts

According to Thomas Friedman in "The World is Flat," how much was the "accidental overinvestment" in fiber optic cables?

- ☐ 10 million dollars
- ☒ 1 trillion dollars
- ☐ 2.7 trillion dollars
- ☐ 1 billion dollars

Correct!

Question 19

0 / 2.5 pts

According to Thomas Friendman in "The World is Flat," UPS is an example of a flattener due to their

☐ Management consulting

You Answered

☒ Outsourcing

☐ Method of quickly delivering packages

Correct Answer

☐ Insourcing

Question 20

2.5 / 2.5 pts

According to the lecture given by Thomas Friedman, Windows 3.0 was shipped five months after:

☐ The fall of the Soviet Union

☐ Netscape went public

Correct!

☒ The fall of the Berlin Wall

☐ The creation of Apache

Question 21

0 / 2.5 pts

According to Thomas Friendman in "The World is Flat", globalization 3.0 is about

☐ Technology going global

☐ Nations going global

You Answered

☒ Firms going global

Correct Answer

☐ Individuals going global

Question 22**2.5 / 2.5 pts**

Thomas Friedman lists Wikipedia as an example of:

- ☐ Outsourcing
- ☒ Open sourcing
- ☐ Insourcing

Correct!**Question 23****0 / 2.5 pts**

How many "convergences" are discussed by Thomas Friedman as he lectures on the third chapter in his book?

- ☐ 9
- ☒ 10
- ☐ 3
- ☐ 5

You Answered**Correct Answer****Question 24****0 / 2.5 pts**

According to Thomas Friedman, the "Workflow" flattener connected:

- ☒ People to applications
- ☐ Applications to applications
- ☐ People to people
- ☐ Country to country

You Answered**Correct Answer**

Question 25**2.5 / 2.5 pts**

According to the Cato Institute, the freer flow of trade and investment will

- ☐ Improve environmental and labor standards
- ☒ All of the above are beliefs of the Cato Institute
- ☐ Reduce poverty
- ☐ Expand economic freedom

Correct!**Question 26****2.5 / 2.5 pts**

The AFL-CIO's biggest concern associated with globalization is

- ☒ The loss of American jobs due to import competition
- ☐ The impact of trade on the oceans due to the oils deposited by tanker ships
- ☐ The impact of trade on the cost of travel and tourism
- ☐ The impact of trade in keeping prices low for consumers

Correct!**Question 27****2.5 / 2.5 pts**

"Free markets rely on ..."

- ☒ "... the power of economic, political, and military institutions."
- ☐ "... government intervention"
- ☐ "... corporations being able to do as they please."

Correct!

☐ "... a supreme leader"

Question 28

2.5 / 2.5 pts

Which of these best defines globalization?

☐ Invasion of one country by another, reducing the number of sovereign countries

☒ Freer flows of capital, goods and labor, about closer interdependence between geographically and culturally distant people.

☐ Jobs being moved to China

☐ Spreading military forces around the world

Correct!

Question 29

2.5 / 2.5 pts

True or False:

Smoot-Hawley tariffs drew up agricultural import restrictions and provoked other industries to seek relief from international competition.

☒ True

☐ False

Correct!

Question 30

2.5 / 2.5 pts

What does it mean for prices to be "sticky"?

☐ Prices always stay the same.

Correct!

- ☐ Prices are dictated by the government
- ☐ Collusion by corporations to fix prices
- ☒ Prices do not always immediately adjust to supply and demand shocks.

Question 31

2.5 / 2.5 pts

Which of the following is not an institution built on the foundation of Keynes' work?

Correct!

- ☒ United Nations
- ☐ International Monetary Fund
- ☐ Bretton Woods system
- ☐ World Bank

Question 32

2.5 / 2.5 pts

What happened to the US currency in the 1970s?

Correct!

- ☐ Backed by platinum and diamond reserves
- ☒ Allowed to float against other world currencies
- ☐ Pegged to the Thai Baht
- ☐ Pegged to the Euro

Question 33

2.5 / 2.5 pts

True for false:

"The fall of the USSR signaled the triumph of communism."

☐ True

☒ False

Correct!

Question 34

2.5 / 2.5 pts

True or false:

Large capital inflows coupled with the rising values of exports helped fuel an economic bubble in Thailand.

☒ True

☐ False

Correct!

Question 35

2.5 / 2.5 pts

Complete the sentence:

"Hayek would choose..."

☐ ... strict capital controls."

☐ ... communism"

☐ ... a barter system"

☒ ...free-flowing capital."

Correct!

Question 36

2.5 / 2.5 pts

Who played a role in the 2008 financial crisis?

Correct!

- ☐ None of the above
- ☐ Credit Rating Agencies
- ☐ Government Regulators
- ☐ Lenders
- ☒ All of the above
- ☐ Borrowers

Question 37

2.5 / 2.5 pts

A speculative attack on which country's currency sparked the Southeast Asian Financial Crisis?

Correct!

- ☒ Thailand
- ☐ Japan
- ☐ United States
- ☐ India

Question 38

2.5 / 2.5 pts

What role did the Thai government have in the Southeast Asia Financial Crisis?

Correct!

- ☐ Stole jobs away from China
- ☒ Allowed for corruption, leading to risky bets made by creditors.
- ☐ Successfully propped up the Thai Baht using its reserves of the U.S. Dollar.
- ☐ Invaded neighboring Vietnam

Question 39**2.5 / 2.5 pts**

"Proponents of the globalization would argue for ...

- ☐ ... command of economy by an international central government"
- ☒ ... freer global markets"
- ☐ ... greater global military conflict"
- ☐ ... increased capital controls"

Correct!**Question 40****2.5 / 2.5 pts**

True or false:

"Opponents of globalization argue that while in the long-run globalization might work, in the long-run we are all dead."

- ☒ True
- ☐ False

Correct!**Quiz Score: 82.5** out of 100

Unit 2 Quiz

Due Feb 10 at 11:59pm	Points 100	Questions 25	Available Jan 27 at 12am - Feb 10 at 11:59pm 15 days
Time Limit None			

This quiz was locked Feb 10 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	45 minutes	100 out of 100

Score for this quiz: **100** out of 100
Submitted Feb 9 at 4:20pm
This attempt took 45 minutes.

Correct!

Question 1

4 / 4 pts

The defining characteristic of international currency exchange markets prior to World War I was that they

☒ had monies backed by gold

☐ were very volatile and unpredictable

☐ were not in existence

☐ were driven by flexible exchange rates

Question 2

4 / 4 pts

The GATT was founded

☐ during the 1920's

☐ During the 1950's

☐ During the 1980's

Correct!

- ☒ during the 1940's

Question 3

4 / 4 pts

One of the primary functions of a banking system is to provide

- ☐ insurance
- ☐ stable interest rates
- ☐ accurate exchange rates
- ☒ intermediation

Correct!

Question 4

4 / 4 pts

An additional reason for the implementation of the Marshall Plan in 1948 by the U.S. other than the inadequacy of the IBRD was

- ☐ too little transparency in foreign exchange markets
- ☐ the high amount of capital available for post WWII reconstruction without any sort of financial system to support it
- ☒ the growing threat of the Soviet Union
- ☐ the lack of support for the Bretton-Woods system

Correct!

Question 5

4 / 4 pts

The International Bank for Reconstruction and Development was originally founded with the purpose of

Correct!

- ☐ supporting developing Third World nations in the 1960s
- ☐ discouraging the installation of Communist governments in eastern Europe in the 1940s
- ☒ providing funds for reconstruction after WWII
- ☐ joining with the IMF to form the modern World Bank organization

Question 6

4 / 4 pts

An exchange rate crisis occurs when a country is unable to

- ☐ keep up a sufficient trade surplus
- ☐ sell exports to the rest of the world
- ☐ "dollarize" its economy and prices
- ☒ stop its currency from depreciating

Correct!

Question 7

4 / 4 pts

According to the IMF website, all of the following are principal types of work the IMF carries out *except*

- ☐ surveillance
- ☐ technical assistance
- ☐ lending
- ☒ enforcement

Correct!

Question 8

4 / 4 pts

The "Lost Decade" refers to which of the following financial crises?

☐ The onset of rapid inflation and poverty in post-WWI Germany in the 1920s.

Correct!



The adoption of isolationist economic policies with disastrous results for many Latin American countries in the 1980s.



The collapse of the US stock market and banking system in the followed by depression in the 1930s.



The currency depreciations and resulting financial panic in Southeast Asian countries in the 1990s.

Question 9

4 / 4 pts

The 189th member of the IMF was

☐ Kolkata

☐ North Korea

☒ Nauru

☐ India

Correct!

Question 10

4 / 4 pts

According to the World Bank website, the focus of the International Development Association is

☐ World Bank member nations

☒ the poorest countries in the world

Correct!

☐ creditworthy poor countries

☐ middle income countries

Question 11

4 / 4 pts

One of the purposes of the modern IMF is:

☐ to enforce monetary penalties on member nations that disobey its charter

☒ to act as a lender of last resort

☐ to collect taxes on transactions involving exchange rate trading

☐ to distribute member countries' currencies

Correct!

Question 12

4 / 4 pts

The primary purpose of the International Monetary Fund when it was first established was:

☐ to regulate the large amount of free-floating currencies available on foreign exchange markets

☐ to act as an international lender to developing countries

☒ to maintain the stability of the Bretton-Woods system

☐ to monitor the exchange rate policies of member countries

Correct!

Question 13

4 / 4 pts

In GATT/WTO speak, a *safeguard* is

Correct!

- ☐ a temporary protection from trade that has been well established to be "unfair"
- ☐ a requirement that all exports meet a nation's minimum health and safety standards.
- ☐ a requirement that all imports meet a nation's minimum health and safety standards.
- ☒ a temporary protection from trade that has not necessarily been established to be "unfair"

Question 14

4 / 4 pts

The GATT was transformed into the WTO in

- ☐ 2011
- ☐ 1990
- ☒ 1995
- ☐ 1968

Correct!

Question 15

4 / 4 pts

The risk of a financial crisis at the nation-state level would be increased by all of the following *except*:

- ☐ overly aggressive expansionary policies
- ☒ increased access to existing intermediation
- ☐ volatile international financial flows out of the country
- ☐ isolationist attitudes and economic practices

Correct!

Question 16

4 / 4 pts

Non-rivalry and non-excludability apply to

- ☐ private goods
- ☐ goods produced by monopolies
- ☒ public goods
- ☐ natural resources

Correct!

Question 17

4 / 4 pts

Private markets tend to underproduce the optimal quantity of public goods because of _____.

- ☐ excludability and rivalry
- ☐ institutions
- ☐ government
- ☒ free riders

Correct!

Question 18

4 / 4 pts

The tariff policies in the 1930's most likely

- ☒ prolonged the Great Depression
- ☐ reduced protectionism
- ☐ both shortened the Great Depression and reduced protectionism
- ☐ shortened the Great Depression

Correct!

Question 19**4 / 4 pts**

The 164th member of the WTO is

- ☐ Mongolia
- ☐ North Korea
- ☒ Afghanistan
- ☐ China

Correct!**Question 20****4 / 4 pts**

Since the emergence of the GATT, tariff rates among member nations have

- ☒ fallen
- ☐ risen
- ☐ fallen in some nations but risen dramatically in others
- ☐ remained roughly the same

Correct!**Question 21****4 / 4 pts**

The TRIPS sub-section of the WTO primarily deals with

- ☒ intellectual property issues
- ☐ regional trade blocks, like NAFTA and the EU
- ☐ illegal subsidies
- ☐ service industries

Correct!

Question 22**4 / 4 pts**

The founding fundamental principles behind the GATT/WTO are

- ☒ reciprocity and nondiscrimination
- ☐ political integration and economic harmonization
- ☐ tariff reductions and economic growth
- ☐ free trade and no protectionism

Correct!**Question 23****4 / 4 pts**

The WTO currently includes roughly _____ member nations.

- ☐ 182
- ☒ 160
- ☐ 145
- ☐ 82

Correct!**Question 24****4 / 4 pts**

The most most recent attempted round of trade negotiations is the _____ round.

- ☐ Geneva
- ☐ Uruguay
- ☒ Doha

Correct!

☐ Washington D.C.

Question 25

4 / 4 pts

The overriding theme of the Doha round of trade negotiations is/was

Correct!

☒ Development

☐ Financial services

☐ Energy

☐ Technological progress

Quiz Score: **100** out of 100

Unit 3 Quiz

Due Feb 24 at 11:59pm	Points 100	Questions 25	Available Feb 10 at 12am - Feb 24 at 11:59pm 15 days
Time Limit None			

This quiz was locked Feb 24 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	42 minutes	80 out of 100

Score for this quiz: **80** out of 100
Submitted Feb 23 at 6:14pm
This attempt took 42 minutes.

Question 1

4 / 4 pts

In the book *The Choice* by Russel Roberts, when Ed Johnson is describing how many hours of work it takes one of his workers to buy a television he is referring to their _____ wages, which had been _____ back in 1959.

- ☐ nominal; falling
- ☐ real; falling
- ☒ real; rising
- ☐ real; falling

Correct!

Question 2

4 / 4 pts

The term "lower relative cost" is synonymous with the concept of

- ☐ Absolute advantage
- ☐ Mercantilism
- ☒ Comparative advantage

Correct!

☐ Protectionism

Question 3

4 / 4 pts

In the book *The Choice* by Russell Roberts, the character Ed Johnson was the owner of

☐ A textile mill

☒ A television factory

☐ A farm

☐ A medical equipment firm

Correct!

Question 4

4 / 4 pts

Why would trade unions of low-skill workers be most against the liberalization of trade?

☐ Their products can less easily be sold internationally.

☐ Poor quality products offend them.

☐ Their products can more easily be sold internationally.

☒ Factor-price equalization drives down wages.

Correct!

Question 5

4 / 4 pts

Adam Smith's book *The Wealth of Nations*--which outlined the benefits of specialization and division of labor and the notion that trade could be win-win--was originally published in what year?

☐ 1912

Correct!

☐ 1877

☒ 1776

☐ 1812

Question 6

4 / 4 pts

The goal of the mercantilist ideology was to

☐ Promote specialization when a country has an absolute advantage

☐ Promote specialization when a country has a comparative advantage

☒ Promote trade surpluses and accumulate gold

☐ Promote trade deficits and accumulate gold

Correct!

Question 7

4 / 4 pts

The first economist(s) to formally suggest that trade was a win-win proposition was

☒ Adam Smith

☐ The mercantilists

☐ David Hume

☐ David Ricardo

Correct!

Question 8

4 / 4 pts

In the book *The Choice* by Russell Roberts, David Ricardo believed that

Correct!

- ☐ Trade would destroy American jobs
- ☐ Protectionism leads to economic growth
- ☒ Trade leads to economic growth
- ☐ Protectionism would save American jobs

Question 9

4 / 4 pts

In the book *The Choice* by Russell Roberts, the character Ed Johnson meets the economist

- ☐ Adam Smith
- ☐ John Maynard Keynes
- ☒ David Ricardo
- ☐ Friedrich Von Hayek

Correct!

Question 10

4 / 4 pts

The theory of factor-price equalization is most closely related to the work of which economist?

- ☐ Smith
- ☐ Ricardo
- ☒ Samuelson
- ☐ Hume

Correct!

Question 11

4 / 4 pts

Large production volumes create economies of scale by spreading which type of costs?

- ☐ Variable
- ☐ Marginal
- ☐ Opportunity
- ☒ Fixed

Correct!

Question 12

4 / 4 pts

David Hume's price-specie-flow doctrine showed that

- ☐ A trade surplus would result in falling domestic prices
- ☒ A trade surplus would result in rising domestic prices
- ☐ Trade was a win-win proposition
- ☐ A trade surplus could be maintained forever

Correct!

Question 13

4 / 4 pts

Which of the following determinants of specialization was NOT discussed in the Learning Area?

- ☐ Internal Economies of Scale
- ☒ Access to Oversea Trade Routes
- ☐ External Economies of Scale
- ☐ Policy-Driven Trade

Correct!

Question 14**4 / 4 pts**

The product life cycle best applies to the following product

Correct!

- ☒ Consumer electronics
- ☐ Entertainment (e.g., sports, theater, movies)
- ☐ Agriculture
- ☐ Home healthcare service

Question 15**4 / 4 pts**

Adam Smith believed that the wealth of a nation was determined by

Correct!

- ☐ Its accumulation of gold and other precious metals
- ☐ The size of its trade surplus
- ☒ Its productivity
- ☐ How much money it had in circulation

Question 16**4 / 4 pts**

According to mercantilist ideology international trade was a

Correct!

- ☒ A win-lose proposition
- ☐ A win-win proposition
- ☐ A lose-lose proposition
- ☐ Neither a winning or losing proposition

Question 17**0 / 4 pts**

A country specializing in an industry with toxic byproducts due to lesser environmental standards is an example of:

☐ Free Trade

☒ Mercantilism

☐ Policy-Driven Trade

☐ Absolute Advantage

You Answered**Correct Answer****Question 18****4 / 4 pts**

In the book *The Choice* by Russell Roberts, in Chapter 2 the character Ed Johnson believed that

☒ Protectionism would improve living standards in America

☐ Free trade would improve living standards in America

☐ Frank Bates would destroy the American economy if elected

☐ The Japanese made better quality products than America

Correct!**Question 19****4 / 4 pts**

Urbanization and industrial agglomeration is a good example of

☐ The product life cycle

☒ External economies of scale

Correct!

☐ The factor-price equalization trade theorem

☐ Internal economies of scale

Question 20

0 / 4 pts

Suppose a worker in Panama can produce 24 cakes or 11 pies in a day and a worker in England can produce 18 cakes or 9 pies in a day. According to the theory of absolute advantage

Correct Answer

☐ Only England could benefit from trade

☐ Both Panama and England could benefit from trade

☐ Neither Panama nor England could gain from trade

You Answered

☒ Only Panama could benefit from trade

Question 21

4 / 4 pts

Suppose a worker in Denmark can produce 8 textiles or 6 toys in a day and a worker in Mexico can produce 12 textiles or 4 toys in a day. Denmark has an absolute advantage in _____ and Mexico has an absolute advantage in _____.

☐ textiles; toys

☒ toys; textiles

☐ neither textiles nor toys; both textiles and toys

☐ both textiles and toys; neither textiles nor toys

Correct!

Question 22

4 / 4 pts

Suppose a worker in France can produce 6 loaves of bread or 3 shirts in a day and a worker in Germany can produce 10 loaves of bread or 6 shirts in a day. The opportunity cost of bread in France is _____ shirt(s).

☐ 3/5

Correct!

☒ 1/2

☐ 5/3

☐ 2

Question 23

0 / 4 pts

Suppose a worker in France can produce 7 loaves of bread or 4 shirts in a day and a worker in Germany can produce 11 loaves of bread or 5 shirts in a day. The opportunity cost of shirts in Germany is _____ loaves of bread.

Correct Answer

☐ 11/5

☐ 4/7

You Answered

☒ 5/11

☐ 7/4

Question 24

0 / 4 pts

Suppose a worker in Italy can produce 12 computers or 4 televisions in a day and a worker in the United States can produce 16 computers or 8 televisions in a day. Italy has a comparative advantage in _____ and the United States has a comparative advantage in _____.

You Answered

☒ televisions; computers

☐ neither televisions nor computers; both televisions and computers

Correct Answer

- ☐ computers; televisions
- ☐ both computers and televisions; neither televisions nor computers

Question 25

0 / 4 pts

Suppose a worker in Peru can produce 16 lamps or 9 dressers in a day and a worker in Canada can produce 12 lamps or 5 dressers in a day. In order for trade to benefit both countries, a lamp would have to trade for between _____ and _____ dressers.

☐ 9/16; 12/5

☐ 5/12; 16/9

Correct Answer

☐ 5/12; 9/16

You Answered

☒ 16/9; 12/5

Quiz Score: **80** out of 100

Unit 4 Quiz

Due Mar 10 at 11:59pm	Points 100	Questions 25	Available Feb 24 at 12am - Mar 10 at 11:59pm 15 days
Time Limit None			

This quiz was locked Mar 10 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	42 minutes	100 out of 100

Score for this quiz: **100** out of 100
Submitted Mar 10 at 10:55pm
This attempt took 42 minutes.

Question 14 / 4 pts

Dumping is

- ☐ when a country's tariff rate suddenly falls
- ☐ when a country bans imports from a certain country
- ☐ a type of import quota
- ☒ when goods are sold in a foreign nation for less than cost (or price) in the home market

Correct!

Question 24 / 4 pts

The United States is more likely to impose protectionism in an industry that is

- ☒ Labor intensive
- ☐ Technology intensive

Correct!

Question 3**4 / 4 pts**

Compared to free trade, protectionism _____ domestic consumers _____ than it _____ the protected domestic industry.

☐ helps; more; benefits

☒ hurts; more; benefits

☐ hurts; less; harms

☐ helps; less; harms

Correct!**Question 4****4 / 4 pts**

One reason the WTO prefers tariffs over quotas is because:

☐ quotas result in lower domestic prices which hurt developing foreign nations

☐ quotas encourage dumping in foreign nations

☐ when domestic demand increases and a quota is in place only foreign firms can sell the additional units

☒ when domestic demand increases and a quota is in place only domestic firms can sell the additional units

Correct!**Question 5****4 / 4 pts**

Which of the following is not an argument for protectionism presented in the Learning Area?

☒ Collusion

Correct!

☐ Cultural heritage

☐ National Security

☐ Being patriotic

Question 6

4 / 4 pts

According to *The Choice* by Russell Roberts, a VER is most similar to a

☐ developing industry

☐ tariff

☒ quota

☐ subsidy

Correct!

Question 7

4 / 4 pts

According to *The Choice* by Russell Roberts, if a country is a large country and can manipulate the world price then protectionism will always be beneficial.

☐ True

☒ False

Correct!

Question 8

4 / 4 pts

True or False: According to the Learning Area, the CATO Institute provides detailed arguments in support of protectionism.

☐ True

Correct!

☒ False

Question 9

4 / 4 pts

In one of the videos Dr. Sarbaum describes the market for protectionism. In this market _____ are on the supply side and _____ are on the demand side.

☐ Domestic manufacturers; foreign manufacturers

☒ Governments; industries

☐ Industries; consumers

☐ Consumers; government

Correct!

Question 10

4 / 4 pts

Because the poor tend to consume more of their income, tariffs tend to be a very _____ source of government revenue.

☐ progressive

☐ preferred

☐ inadequate

☒ regressive

Correct!

Question 11

4 / 4 pts

Why do you not see police officers driving Hondas?

☒ procurement policies

Correct!

☐ high tariffs on imported cars

☐ dumping

☐ “soft” protection

Question 12

4 / 4 pts

According to the Learning Area, which argument for protectionism best describes the decision to subsidize producers such as Lockheed Martin in the 1970's and 1980's?

Correct!

☒ National security

☐ Preservation of cultural heritage

☐ Saving jobs

☐ Protection of newly developed industries

Question 13

4 / 4 pts

According to one of Dr. Sarbaum's videos, when did other (non-tariff) protectionism become popular?

Correct!

☒ 1970's

☐ 1950's

☐ 1980's

☐ 1960's

Question 14

4 / 4 pts

Dr. Sarbaum discusses shoes and laces in one of the videos. At one point in history, why did shoe manufacturers not put laces in the shoes?

- ☐ Americans have a comparative advantage in lacing shoes
- ☐ Requiring shoes to not be laced is a form of “soft” protectionism
- ☒ The shoes are subject to lower tariffs if an American laborer laces the shoes
- ☐ Putting laces in shoes damages machine and needs to be done by workers

Correct!

Question 15

4 / 4 pts

The estimate quoted by Ben Bernanke suggested that ____% of American job loss each year was due to trade.

- ☐ 5
- ☐ .5
- ☒ 2
- ☐ 7

Correct!

Question 16

4 / 4 pts

If given a choice of protection from import competition, domestic industry would prefer _____ be imposed on the import competition.

- ☐ tariffs
- ☒ quotas

Correct!

Question 17**4 / 4 pts**

If the USA imposes tariffs on imported steel it will

Correct!

- ☒ Help American steel workers and harm American auto workers
- ☐ Help American steel workers and help American auto workers
- ☐ Harm American steel workers and help American auto workers
- ☐ Harm American steel workers and harm American auto workers

Question 18**4 / 4 pts**

Over the course of its history, the United States has increasingly relied on tariff revenue to fund the federal government.

Correct!

- ☐ True
- ☒ False

Question 19**4 / 4 pts**

"Soft" protectionism refers to:

Correct!

- ☒ Regulations about packaging and content, and delays in the processing of goods
- ☐ The government only purchasing American-made goods
- ☐ Selling goods abroad for a price beneath the price in the domestic market
- ☐ Protection granted to intermediate goods

Question 20

4 / 4 pts

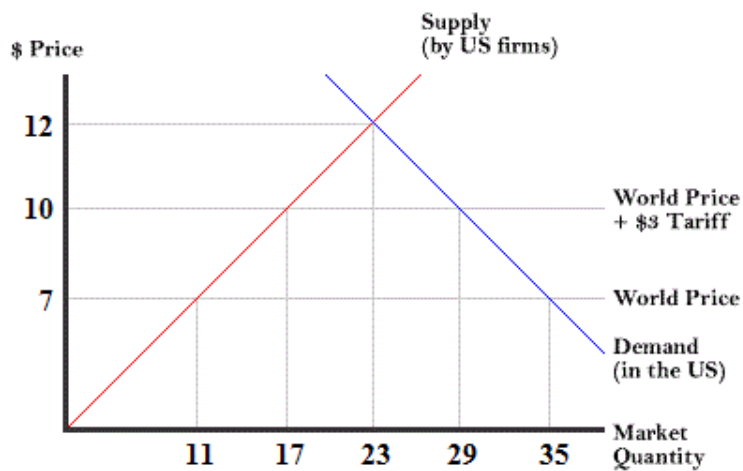
Compared to free trade, a quota will

- ☐ decrease the volume of imports but have no effect on domestic prices
- ☐ increase the volume of imports but have no affect on domestic prices
- ☐ increase the volume of imports and lower domestic prices
- ☒ decrease the volume of imports and increase domestic prices

Correct!**Question 21**

4 / 4 pts

Consider the diagram below:



With protectionism in the form of a \$3 tariff the volume of imports is

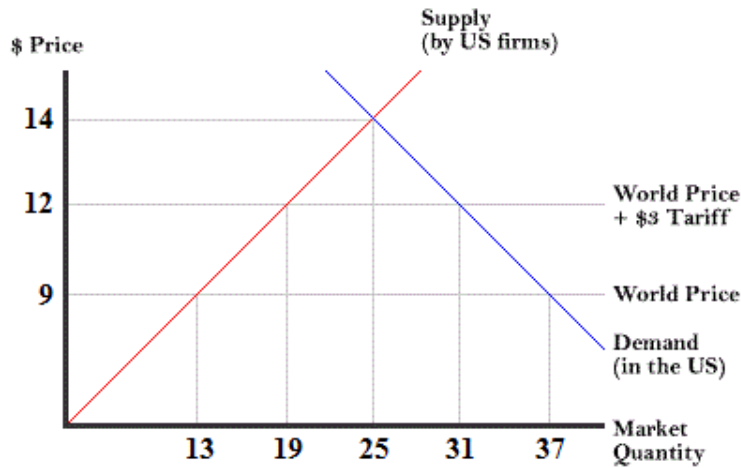
- ☐ 17
- ☐ 6
- ☒ 12
- ☐ 29

Correct!

Question 22

4 / 4 pts

Consider the diagram below:



With free trade domestic producers sell _____ units at a price of _____ dollars; Foreigners sell _____ units of imports at a price of _____ dollars.

☐ 13,9; 37,9

☐ 25,14; 37,9

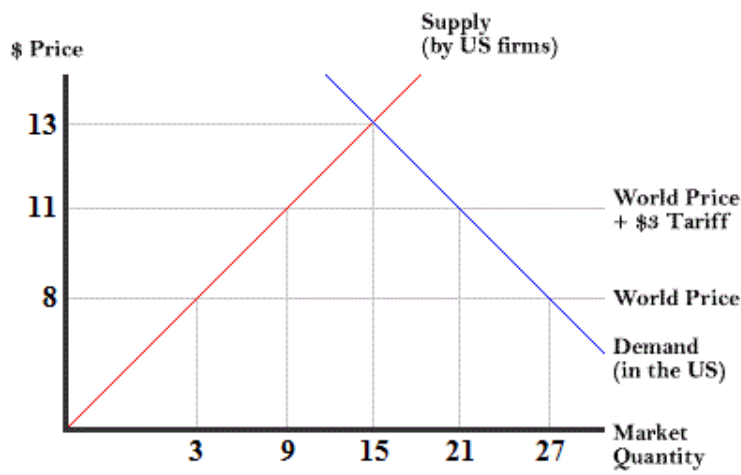
☐ 25,14; 24,9

☒ 13,9; 24,9

Correct!

Question 23

4 / 4 pts



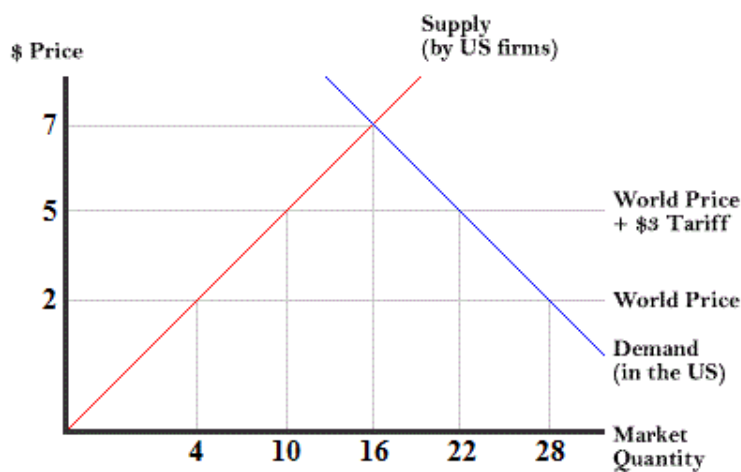
According to the diagram, compared to free trade protectionism in the form of a \$3 tariff causes the total volume of domestic production to increase by

- ☐ 3 units
- ☐ 15 units
- ☒ 6 units
- ☐ 9 units

Correct!

Question 24

4 / 4 pts



According to the diagram, the tariff allow the government to collect _____ dollars in TOTAL tax revenue

- ☐ 5

☐ 12

Correct!

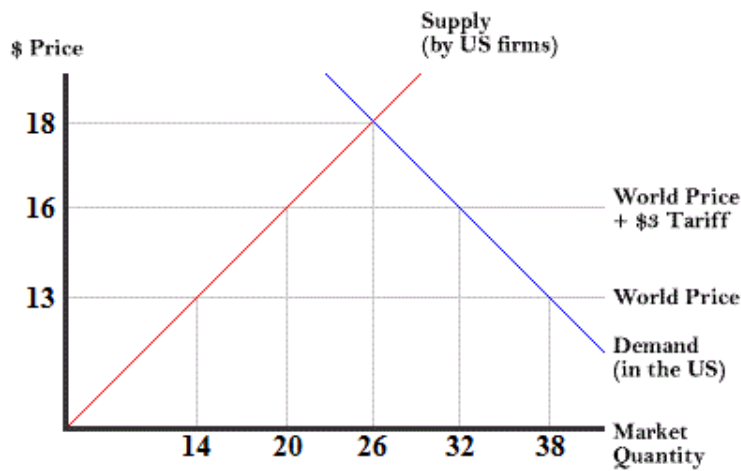
☒ 36

☐ 3

Question 25

4 / 4 pts

Consider the diagram below:



With no trade the domestic price is

☐ 13

☐ 16

☐ 26

Correct!

☒ 18

Quiz Score: **100** out of 100

▲ This quiz has been regraded; your score was not affected.

Unit 5 Quiz

Due Mar 24 at 11:59pm
Time Limit None

Points 100

Questions 25

Available Mar 10 at 12am - Mar 24 at 11:59pm 15 days

This quiz was locked Mar 24 at 11:59pm.

Attempt History

	Attempt	Time	Score	Regraded
LATEST	Attempt 1	248 minutes	100 out of 100	100 out of 100

Score for this quiz: **100** out of 100

Submitted Mar 24 at 7:33pm

This attempt took 248 minutes.

Question 1

4 / 4 pts

During the 1980's _____ growth strategy can be best defined as import substitution. During the 1990's _____ growth strategy can be best defined as export led.

- ☐ Southeast Asia's; Latin America's
- ☐ Southeast Asia's; Southeast Asia's
- ☐ Latin America's; Latin America's
- ☒ Latin America's; Southeast Asia's

Correct!

Question 2

4 / 4 pts

According to Hernando DeSoto (see the PBS video Commanding Heights) the single most important condition for a capitalist economy to properly function and for economic growth to occur is the establishment of

- ☐ stable exchange rates

Correct!

- ☒ laws surrounding property rights
- ☐ a health care system
- ☐ an educational system

Question 3

4 / 4 pts

The ISI policies of Latin America were generally _____ in the 1970's and _____ in the 1980's.

- ☐ failures; failures
- ☐ failures; successes
- ☐ successes; successes
- ☒ successes; failures

Correct!

Question 4

4 / 4 pts

According to book "The Choice" when there is trade between a rich country and a poor country the theory of comparative advantage suggests that the nearly all of the gains from trade go to the rich.

- ☒ False
- ☐ True

Correct!

Question 5

4 / 4 pts

According to "The Choice" self-sufficiency

- ☐ is goal of capitalism

Correct!

☐ is the road to wealth

☐ is a moral virtue

☒ is the road to poverty

Question 6

4 / 4 pts

In the 1970's many Latin American nations borrowed against their _____ reserves in order to finance their investment in economic growth.

☐ agricultural

☐ human capital

☐ gold

☒ oil

Correct!

Question 7

4 / 4 pts

According the Paul Krugman, there is something fundamentally wrong with workers in Third World nations being paid very low wages to produce things that will be consumed by rich Westerners.

☐ True

☒ False

Correct!

Question 8

4 / 4 pts

A fundamental cause of the "Tragedy of the Commons" is

☐ The lack of a distribution

Correct!

- ☐ The lack of natural resources
- ☒ The lack of property rights
- ☐ The under fertilization of crops

Question 9

4 / 4 pts

According to Thomas Friedman in "The Other Side of Outsourcing" (NPR) Indian workers make approximately _____ the amount similarly skilled American workers make.

Correct!

- ☒ 1/5
- ☐ 1/2
- ☐ 1/10
- ☐ 1/3

Question 10

4 / 4 pts

Which was not a policy listed in the Washington Consensus?

Correct!

- ☐ Avoid large budget deficits
- ☐ Guarantee the security of property rights
- ☒ Use quotas if protectionism is necessary, and gradually reduce them
- ☐ Encourage foreign direct investments

Question 11

4 / 4 pts

Which of the following is not included in the United Nations Development Program's human development index (HDI)?

☐ longevity

☐ income

☒ happiness

☐ knowledge

Correct!

Question 12

4 / 4 pts

The US national debt is nearing _____.

☐ 14 trillion

☐ 14 billion

☒ 20 trillion

☐ 5.5 trillion

Correct!

Question 13

4 / 4 pts

According to the full-cost principle:

☐ local communities should charge full cost when selling the flora and fauna within their borders.

☒ all users of environmental resources should pay their full cost.

☐ all resources should be used in a manner that transfers the full cost to future generations.

Correct!

- ☐ all environmental policies should consider the full cost of implementation.

Question 14

4 / 4 pts

Ultimately, solutions to environmental problems and labor abuse problems lie in the hands of

- ☐ "watchdog" groups
- ☐ governments and regulation
- ☐ multinational corporations
- ☒ consumers and markets

Correct!

Question 15

4 / 4 pts

According to the cost-effectiveness principle:

- ☐ only cost-effective uses of environmental resources should be allowed.
- ☐ local communities should only sell local flora and fauna if it is cost effective.
- ☒ all environmental policies should be cost effective.
- ☐ all resources should be used in a manner that is cost effective for future generations.

Correct!

Question 16

4 / 4 pts

The following type of natural resource is most likely to suffer from the "tragedy of the commons"

- ☐ Fish in fisheries
- ☒ Elephants in the plains of the Sahara

Correct!

☐ Cows on farms

☐ Diamonds mines owned by DeBeers

Question 17

4 / 4 pts

The "Washington Consensus" on economic development implies that ultimately it important for nations to increase government regulation of private industry and increase protectionism against import competition.

Correct!

☒ False

☐ True

Question 18

4 / 4 pts

"Snake kids" (see PBS Commanding Heights video) work in the _____ of Tanzania.

☐ waterways

☐ farms

☐ factories

Correct!

☒ mines

Question 19

4 / 4 pts

According to the sustainability principle:

☐ local communities should enforce sustainable usage of flora and fauna within their borders.

Correct!

- ☐ all users of environmental resources should ensure their usage is at sustainable levels.
- ☒ all resources should be used in a manner that respects the needs of future generations.
- ☐ all environmental policies should target sustainable resource usage.

Question 20

4 / 4 pts

Who manages the Wisconsin food stamp program

- ☐ Housewives working from home in Wisconsin
- ☐ Workers in China
- ☐ Workers in New York City
- ☒ Workers in India

Correct!

Question 21

Original Score: 4 / 4 pts Regraded Score: 4 / 4 pts

⚠ This question has been regraded.

According to Dr. Sarbaum, during the "Lost Decade" it was not uncommon for Latin America to experience yearly inflation of _____ %.

- ☒ 1,000
- ☐ 100
- ☐ 10,000
- ☐ 10

Correct!

Question 22

4 / 4 pts

According to the property-rights principle:

Correct!

☒

local communities should have a property right over flora and fauna within their borders.

☐

all users of environmental resources should be given property rights over those resources.

☐

all environmental policies should clearly define property rights.

☐

all resources should be used in a manner that respects the property rights of future generations.

Question 23

4 / 4 pts

Paul Krugman's article "In Praise of Cheap Labor" suggest that

☐

Global poverty may not have been invented by multinational corporations, but they are making it worse

Correct!

☒

Global poverty was not invented by multinational corporations and, if anything, they are helping to reduce it

☐

There is no global poverty in the world today

☐

Global poverty was invented by multinational corporations

Question 24

4 / 4 pts

The Learning Area discusses three types of objectives in regards to sustainable development. They are:

Correct!

- ☒ Social objectives, economic objectives, and environmental objectives
- ☐ Trade objectives, social objectives, and educational objectives
- ☐ Public objectives, private objectives, and ecological objectives
- ☐ Financial objectives, educational objectives, and a return to the gold standard

Question 25

4 / 4 pts

What are the two types of financial crises described by Dr. Sarbaum in one of the videos?

- ☐ export crises and capital control crises
- ☒ exchange rate crises and banking crises
- ☐ comparative crises and absolute crises
- ☐ export crises and import crises

Correct!

Quiz Score: **100** out of 100

Unit 6 Quiz

Due Apr 7 at 11:59pm	Points 100	Questions 20	Available Mar 24 at 12am - Apr 7 at 11:59pm 15 days
Time Limit None			

This quiz was locked Apr 7 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	2,888 minutes	100 out of 100

Score for this quiz: **100** out of 100
Submitted Apr 6 at 2:01pm
This attempt took 2,888 minutes.

Question 1

5 / 5 pts

In the presence of purchasing-power parity, if one dollar exchanges for three Swedish Kroner and if a television costs \$500 in the United States, then in Sweden the television should cost:

Correct!

☐ 116.67 Kroner

☐ 500 Kroner

☒ 1500 Kroner

☐ 1300 Kroner

Question 2

5 / 5 pts

If it takes 0.20 dollars to buy a Mexican Peso and 0.60 dollars to buy a Brazilian Real, then it takes _____ pesos to buy one Brazilian Real.

Correct!

☒ 3

☐ 1/2

☐ 2

☐ 1/3

Question 3

5 / 5 pts

Suppose the nominal U.S.-Canada exchange rate is \$1.5 per Canadian Dollar, the U.S. has a 5% inflation, and Canada has 0% inflation. Under these conditions the real U.S.-Canada exchange rate, rounded to the nearest cent, is approximately:

☐ \$1.45 per Canadian Dollar

☐ \$1.58 per Canadian Dollar

☒ \$1.43 per Canadian Dollar

☐ \$1.55 per Canadian Dollar

Correct!

Question 4

5 / 5 pts

Suppose the U.S.-EU exchange rate is \$1.3 per Euro, the U.S. has 4% inflation, and the EU has 8% inflation. Under these conditions the real U.S.-EU exchange rate, rounded to the nearest cent, is approximately:

☐ \$1.26 per Euro

☐ \$1.25 per Euro

☒ \$1.35 per Euro

☐ \$1.34 per Euro

Correct!

Question 5

5 / 5 pts

What is NOT one of the three major determinants of exchange rates described by Dr. Sarbaum in one of the videos?

Correct!

- ☐ Inflation rate differentials
- ☐ Growth rate differentials
- ☒ Tariff rate differentials
- ☐ Interest rate differentials

Question 6

5 / 5 pts

For a foreign monetary authority, the key tradeoff when considering whether or not to "dollarize" a currency is one involving

Correct!

- ☒ control of monetary policy versus exchange rate volatility
- ☐ increasing exchange rates versus increasing inflation
- ☐ use of a domestic central bank versus use of a foreign central bank
- ☐ use of a liquid asset standard versus use of a non-liquid asset standard

Question 7

5 / 5 pts

According to the IMF's Review of Exchange Rate Agreements, Restrictions, and Controls from November 2007, the currency regime used in the greatest number is:

Correct!

- ☐ Hard Peg
- ☐ Independently Floating
- ☒ Soft Pegs
- ☐ Managed Floating

Question 8**5 / 5 pts**

All of the following are examples of the failures resulting directly from variations of pegged rate exchange systems *except*

- ☐ The international abandonment of the Bretton-Woods system
- ☒ The onset of recession and unemployment in the US during the late 1920s
- ☐ The Mexican peso crisis of 1994
- ☐ The loss of foreign reserves by nations during the 1990's Asian financial crisis

Correct!**Question 9****5 / 5 pts**

An increase in the demand for dollars by the rest of the world will cause the dollar to

- ☐ depreciate
- ☒ appreciate

Correct!**Question 10****5 / 5 pts**

When a country runs a trade surplus it puts pressure on the value of that country's currency to

- ☐ depreciate
- ☒ appreciate

Correct!**Question 11****5 / 5 pts**

Which of the following economic shocks would have the most significant long run effect on the value of a currency?

Correct!

- ☐ A change in the performance of the stock market
- ☒ A change in the inflation rate
- ☐ A change in the interest rate
- ☐ A change in the unemployment rate

Question 12

5 / 5 pts

Under the Bretton Woods system the following currencies were directly tied to gold

- ☐ the British Pound
- ☐ the Thai baht
- ☐ All of the above were directly tied to gold
- ☒ the US Dollar

Correct!

Question 13

5 / 5 pts

When the United States abandoned the Bretton Woods system in in the 1970's the value of the dollar _____ and the Unites States was accused of _____.

- ☐ decreased; price fixing
- ☒ decreased; exporting inflation
- ☐ decreased; importing inflation
- ☐ increased; price fixing

Correct!

Question 14

5 / 5 pts

Which of the following economic shocks would have the most significant immediate effect on the value of a currency?

☐ A change in the unemployment rate

☐ A change in the GDP growth rate

☒ A change in the interest rate

☐ A change in the inflation rate

Correct!

Question 15

5 / 5 pts

When many countries made the decision to allow their currencies to "float" during the early 1920s, their original intention was to

☒ eventually return to the gold standard

☐ build new markets that could exchange foreign currencies efficiently

☐ help foster post-WWI business by reducing individual debt

☐ practice inflationary policy in order to encourage economic growth

Correct!

Question 16

5 / 5 pts

According to the IMF's website, the *main* reason for periods of high inflation in many countries following World War I was

☒ the abandoning of the gold standard in order to gain the ability to print more money

☐ the Treaty of Versailles' economic guidelines

☐ the restrictive regulations on central banking

☐ the abandoning of the gold standard in favor of other standards, such as silver

Correct!

Question 17**5 / 5 pts**

Crises that are caused by volatile international financial flows are in large part _____ advances in technology coupled with _____ openness in financial markets.

☐ solved by; decreased

☐ due to; decreased

☒ due to; increased

☐ solved by; increased

Correct!**Question 18****5 / 5 pts**

Which of following is NOT an advantage of single currency area systems?

☐ Elimination of transactions costs associated with exchange rates

☐ Greater credibility in global financial markets

☐ A lessening of overall price volatility within the area

☒ Increased national control over monetary policy

Correct!**Question 19****5 / 5 pts**

The biggest problem with the current market-driven exchange rate system is

☒ no one really knows how well it will work in the long run and it introduces another form of price uncertainty

Correct!

☐ there are not enough valuable assets (such as gold) to back the system

☐ it handcuffs a nation's ability to carry out independent monetary policy

☐ groups of major industrialized countries, such as Europe, have not adopted the system in determining the value of the Euro against the US\$ and Yen, for example.

Question 20

5 / 5 pts

A depreciation of the dollar refers to a(n)

☒ increase in the dollar price of a foreign currency

☐ decrease in the dollar price of a foreign currency

Correct!

Quiz Score: **100** out of 100

Unit 7 Quiz

Due Apr 17 at 11:59pm	Points 100	Questions 25	Available Mar 31 at 12am - Apr 17 at 11:59pm 18 days
Time Limit None			

This quiz was locked Apr 17 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	177 minutes	100 out of 100

Score for this quiz: **100** out of 100
Submitted Apr 16 at 10:09pm
This attempt took 177 minutes.

Correct!

Question 1

4 / 4 pts

The NAFTA can be best defined as a

☒ Free Trade Area

☐ Common Market

☐ Customs Union

☐ Economic Union

Correct!

Question 2

4 / 4 pts

Which of the following was not an objective of Article 3 of the Treaty of Rome?

☐ Eliminate barriers to the flow of factors of production (including labor)

☒ Dismantle oversight institutions to ensure competition among members is not distorted

☐ Create a European Social Fund

- ☐ Establish a common transportation policy among the members

Question 3

4 / 4 pts

The Sierra Club's report (linked to in the Learning Area) highlights the positive effects of NAFTA on communities and the environment.

Correct!

☒ False

☐ True

Question 4

4 / 4 pts

The following nation was NOT part of the EU's 2004 expansion from 15 to 25 nations

Correct!

☒ Romania

☐ Estonia

☐ Poland

☐ Latvia

Question 5

4 / 4 pts

The following country was NOT one of the original members of the European Economic Community

☐ Germany

Correct!

☒ The United Kingdom

☐ Italy

☐ Belgium

Question 6

4 / 4 pts

Which two institutions of the EU serve legislative functions?

☐ The European Commission and the European Court of Justice

☐ The European Court of Justice and the Council of the European Commission

☐ The European Council and the European Parliament

☒ The Council of the European Union and the European Parliament

Correct!

Question 7

4 / 4 pts

The following nation does not use the Euro as its official currency

☐ Spain

☐ Ireland

☐ Germany

☒ Denmark

Correct!

Question 8

4 / 4 pts

Which country voted in 2016 to leave the European Union?

☐ Germany

☒ The United Kingdom

Correct!

☐ Denmark

☐ France

Question 9

4 / 4 pts

In the 1990's, President Bill Clinton fought heavily against the ratification of NAFTA.

☐ True

☒ False

Correct!

Question 10

4 / 4 pts

The agreement that established the European Coal and Steel Community (ECSC) was the

☐ Treaty of Rome

☒ Treaty of Paris

☐ Brussels Treaty

☐ Single European Act

Correct!

Question 11

4 / 4 pts

The least integrated form of a regional economic agreement is a

☐ Common Market

☒ Free Trade Area

☐ Customs Union

Correct!

☐ Monetary Union

Question 12

4 / 4 pts

Which of the following was not an integration milestone reached by the EEC in the 1970's?

- ☐ The establishment of a Common Fisheries Policy
- ☒ The establishment of a "European" citizenship
- ☐ The creation of the European Regional Development Fund
- ☐ The establishment of the European Monetary System

Correct!

Question 13

4 / 4 pts

Which of the following is a disadvantage of regional integration?

- ☐ Trade creation
- ☐ The larger market and consumer pool exploits economies of scale
- ☐ Increased global significance
- ☒ Loss of national power in favor of even bigger government

Correct!

Question 14

4 / 4 pts

Under a _____ the supra-authority exists solely at the discretion of the states. Under a _____ the states and supra-authority coexist with shared and independent powers.

- ☐ federalist system; confederalist system

Correct!

- ☒ confederalist system; federalist system

Question 15

4 / 4 pts

The precursor the European Union was the

- ☐ Organization for European Economic Cooperation
- ☒ European Coal and Steel Community
- ☐ Council of Europe
- ☐ Organization for Economic Cooperation and Development

Correct!

Question 16

4 / 4 pts

The European Political Community (EPC) failed when _____ refused to ratify a treaty.

- ☐ The United Kingdom
- ☐ Italy
- ☒ France
- ☐ Germany

Correct!

Question 17

4 / 4 pts

Which of the following is the most integrated form of a regional economic agreement?

- ☐ Economic union
- ☐ Free Trade Area

Correct!

- ☒ Political Union
- ☐ Common market

Question 18

4 / 4 pts

The following form of economic integration has free trade in goods and services, common external trade barriers, and the free flow of factors of production, and a common currency

Correct!

- ☒ Economic Union
- ☐ Common Market
- ☐ Political Union
- ☐ Customs Union

Question 19

4 / 4 pts

Which of the following was not a goal of NAFTA?

Correct!

- ☐ To create new employment opportunities
- ☐ To foster creativity and innovation
- ☒ To decrease environmental regulations
- ☐ To establish fair rules of trade

Question 20

4 / 4 pts

One of the main goals of Europe's Single European Act was the establishment of a single currency, the Euro

Correct!

☐ True

☒ False

Question 21

4 / 4 pts

The EU institution that sets the general direction and political agenda is the:

☐ The Council of the European Union

☒ The European Council

☐ The European Parliament

☐ The European Commission

Correct!

Question 22

4 / 4 pts

The _____ paved the way for the creation of NATO.

☐ Treaty of Rome

☐ The Single European Act

☐ The Treaty on the European Union

☒ Brussels Treaty

Correct!

Question 23

4 / 4 pts

Cooperation between states implies a loss of political sovereignty.

☐ True

Correct!

☒ False

Question 24

4 / 4 pts

The current dollar price of 1 euro is roughly

☐ .75

☒ 1.05

☐ 1.75

☐ .25

Correct!

Question 25

4 / 4 pts

Most economists have been proponents of NAFTA

☒ True

☐ False

Correct!

Quiz Score: **100** out of 100

Unit 8 Quiz

Due Apr 28 at 11:59pm	Points 100	Questions 20	Available Apr 14 at 12am - Apr 28 at 11:59pm 15 days
Time Limit None			

This quiz was locked Apr 28 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	10 minutes	100 out of 100

Score for this quiz: **100** out of 100
Submitted Apr 28 at 5:26pm
This attempt took 10 minutes.

Correct!

Question 1

5 / 5 pts

Which of the following agreements set the precedent for international copyright protection and required that member states agree to abide by the the copyright protection of the home countries of citizens from other member states?

☒ Berne Convention for the Protection of Literary and Artistic Works

☐ Paris Convention for the Protection of Intellectual Property

☐ Patent Cooperation Treaty

☐ Agreement on Trade Related Aspects of Intellectual Property Rights

Correct!

Question 2

5 / 5 pts

Which economist stated that innovation "is perhaps the most important factor responsible for economic growth?"

☒ Mansfield

☐ Arrow

☐ Smith

☐ Solow

Question 3

5 / 5 pts

Which of the following was not mentioned as possible sources of the international diffusion of innovations?

☐ Firms seeking to extend their markets to new countries.

☐ Foreign investment spreading technologies to the investor's home country from facilities in the foreign country.

☐ Foreign investment spreading technologies to the foreign country from the investor's home country via materials and knowledge.

☒ Corporate espionage and the theft of trade secrets by foreign firms.

Correct!

Question 4

5 / 5 pts

According to the EPO's interactive Patent Information Tour, in exchange for rights of protection on their inventions, patents require inventors to:

☐ Improve their inventions.

☐ Sell their inventions.

☐ Copyright their inventions.

☒ Disclose their inventions.

Correct!

Question 5**5 / 5 pts**

Which of the following is not mentioned in the discussion of absorptive capacity?

- ☐ The social norms of the culture.
- ☐ The level of education.
- ☒ The level of openness to trade.
- ☐ The technological sophistication of the population.

Correct!**Question 6****5 / 5 pts**

Which of the following agreements expanded the guidelines on what can be patented and granted a copyright, and established minimum lengths for industrial designs and patents?

- ☐ Berne Convention for the Protection of Literary and Artistic Works
- ☐ Patent Cooperation Treaty
- ☐ Paris Convention for the Protection of Intellectual Property
- ☒ Agreement on the Trade Related Aspects of Intellectual Property Rights

Correct!**Question 7****5 / 5 pts**

Which of the following agreements allows citizens of member states to seek patent protection for an invention simultaneously in a large number of countries by filing an international patent application?

- ☒ Patent Cooperation Treaty
- ☐ Agreement on Trade Related Aspects of Intellectual Property Rights
- ☐ Paris Convention for the Protection of Intellectual Property Rights

Correct!

☐ Berne Convention for the Protection of Literary and Artistic Works

Question 8

5 / 5 pts

According to the WIPO's website, the WIPO's nine strategic goals were adopted in what year?

Correct!

☒ 2008

☐ 2012

☐ 1977

☐ 1995

Question 9

5 / 5 pts

According to the WIPO website, all of these are WIPO-administered treaties EXCEPT:

☐ Brussels Convention

☐ Madrid Protocol

☐ Washington Treaty

Correct!

☒ Geneva Convention

Question 10

5 / 5 pts

True or False: Research that is more "basic" is associated with lower levels of uncertainty.

Correct!

☒ False

☐ True

Question 11**5 / 5 pts**

As defined by the Learning Area, innovation is:

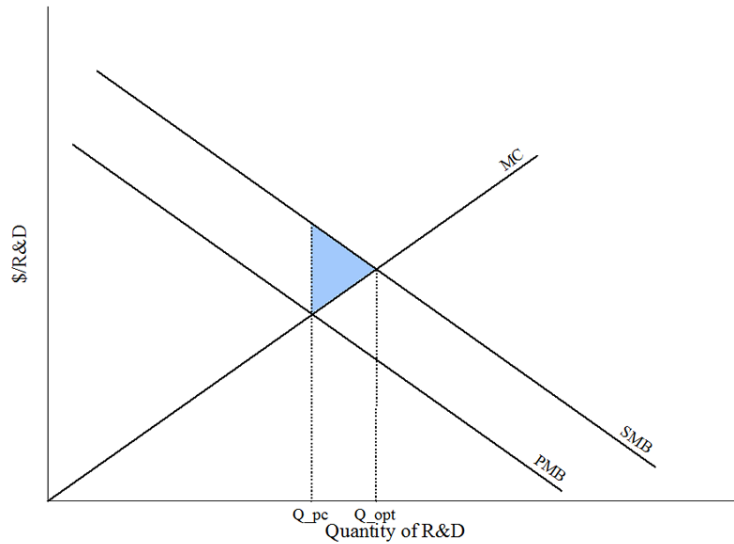
- ☐ the search for knowlege
- ☐ the resulting product or process from invention
- ☐ synonymous with R&D
- ☒ the application of knowledge

Correct!**Question 12****5 / 5 pts**

By looking at the growth rates of national economies, labor, and capital stocks, Robert Solow found that:

- ☐ a very small portion of economic growth could not be explained by the growth rates of labor and capital stock
- ☒ a large portion of economic growth could not be explained by growth rates of labor and capital stocks
- ☐ only changes in the capital stock and technological advance explain economic growth rates
- ☐ all economic growth was a product of technological advance

Correct!**Question 13****5 / 5 pts**



Refer to the above graph. Because the PMB is _____ than the SMB, the firm will _____ in R&D, resulting in a _____, which is represented by the shaded area of the graph.

Correct!

- ☒ less; underinvest; deadweight loss
- ☐ more; overinvest; productivity gain
- ☐ less; overinvest; productivity gain
- ☐ more; underinvest; deadweight loss

Question 14

5 / 5 pts

In addition to the International Space Station, which of the following is an example of an international research project?

Correct!

- ☐ IMF
- ☒ CERN
- ☐ EPO
- ☐ WIPO

Question 15**5 / 5 pts**

The SBIR program:

- ☐ brings large firms together to collaborate on new research
- ☒ provides funding to small businesses that that allows them to invent and innovate
- ☐ conducts research on energy, defense, space exploration, and medicine
- ☐ helps increase the absorptive capacity of developing nations

Correct!**Question 16****5 / 5 pts**

Which of the following did Kenneth Arrow not list as a source of inefficiency in the market for technology and innovation?

- ☒ Market Power
- ☐ Uncertainty
- ☐ Inappropriability
- ☐ Indivisibility

Correct!**Question 17****5 / 5 pts**

Which of the following was not discussed as a policy option to address inefficiencies in the market for innovation?

- ☐ Direct investment in privately performed R&D.
- ☐ Investment in publicly performed R&D.
- ☐ Establishment and enforcement of property rights.

Correct!

- ☒ Supporting science, technology, mathematics, and engineering (STEM) education.

Question 18

5 / 5 pts

Which of the following agreements set the precedent for international cooperation on patent rights, was passed in the 19th century, and required that member states grant the same IP rights to citizens of other member states that they granted their own citizens?

Correct!

- ☒ Paris Convention for the Protection of Intellectual Property
- ☐ Patent Cooperation Treaty
- ☐ Agreement on Trade Related Aspects of Intellectual Property Rights
- ☐ Berne Convention for the Protection of Literary and Artistic Works

Question 19

5 / 5 pts

According to the Learning Area, a possible solution to uncertainty in R&D markets is:

- ☐ focusing on more basic research
- ☐ the ability to focus on one product to create economies of scale
- ☐ using forward markets to reduce uncertainty
- ☒ the ability to spread investment across multiple projects

Correct!

Question 20

5 / 5 pts

Which of the following was not listed on the History Channel's "11 Innovations That Changed History?"

- ☐ The domestication of horses

☐ Paper currency

☐ The telegraph

☒ Cargo ships

Correct!

Quiz Score: **100** out of 100