

University of Wuppertal
Department of Management and Economics
Master's Degree in Economics (MSc Econ)
Special Focus: Internationalization and Economic Policy

Module: Economic Integration (Prof. Welfens)
Date of Exam: 29.09.2010
Duration: 90 minutes
Allowed utilities: none

The questions of each bloc therefore should be answered within 30 minutes.

Economic Dynamics and Integration in Eastern Europe and Asia

1. What is regional economic integration? (5 P.)
2. Asia is one of the most dynamic regions in the world with high economic growth during the last years. Describe reasons that lead to this economic growth and explain why China's high growth rate raises growth in other Asian countries. (10 P.)
3. Why is economic growth in EU accession countries higher than in western EU 15 countries? What is the role of FDI inflows and trade in economic catching up of Eastern Europe? (10 P.)

Simulation Models for Policy Analysis

1. Explain the main mechanisms of the international banking crisis – why can financial market instabilities affect the real economy? (15 P.)
2. What is the role of monetary and fiscal policy in overcoming the Transatlantic Banking Crisis? (15 P.)

Monetary Integration

1. Explain the economic benefits of the creation of the Eurozone and give arguments why the convergence criteria are important for identifying adequate candidate countries for the monetary union. (20 P.)
2. Why is the Stability and Growth Pact important for achieving stability in the Eurozone? Please include in your arguments the problem of the Greek sovereign debt crisis of 2010. (10 P.)