

Last Name: _____

First Name: _____

Immatriculation No.: _____

Place No.: _____

BERGISCHE UNIVERSITÄT WUPPERTAL
Fachbereich Wirtschaftswissenschaft

Klausuraufgaben

Economic Integration

Alle Studienrichtungen

Prüfer / Examiner:
Prof. Dr. P.J.J. Welfens

Prüfungstag / Date:
19.02.2013

Erlaubte Hilfsmittel / Allowed tools:
Keine / None

Alle Aussagen sind zu begründen und Rechenschritte, so fern notwendig vollständig wiederzugeben.

Abweichungen führen zu Abzügen bei der Punktzahl.

Bei Unklarheiten im Verständnis der Aufgaben ist anzugeben unter welche Annahmen die Aufgaben bearbeitet wurden.

Die Klausur gilt als bestanden, wenn die erreichte Punktzahl mindestens 45 Punkte beträgt.

Es sind drei der vier Aufgabenteile zu beantworten

All arguments are to be justified and all steps of any calculation should be stated.

Deviations might lead to a deduction of points.

If unclear on how to answer a question, name the assumptions under which the question has been answered.

The exam is passed if the overall amount of points is at least 45.

Three of the four parts are to be answered.

Unterschrift / Signature

Die Klausur besteht aus insgesamt 3 (drei) Seiten. / The exam consists of 3 (three) pages.

Part I

Economic Dynamics and Integration in Eastern Europe and Asia

Question 1 (15 Points)

Macroeconomic Indicators of Germany

Source: World Development Indicator

Year	Real GDP	Final Consumption	Inflation	Unemployment rate
	(billion USD)	(in billion USD)	(%)	(%)
2000	1886.40	1459.93	1.47	7.70
2001	1914.97	1476.25	1.98	7.80
2002	1915.16	1474.02	1.40	8.60
2003	1907.97	1478.47	1.04	9.30
2004	1930.13	1480.25	1.67	10.30
2005	1943.34	1483.07	1.56	11.10
2006	2015.24	1503.24	1.57	10.30
2007	2081.12	1506.20	2.29	8.60
2008	2103.67	1526.52	2.63	7.50
2009	1995.81	1539.42	0.31	7.70
2010	2078.79	1556.78	1.14	7.10

- (7 Points) What is the relationship between real GDP and Final Consumption (Refer to the table above)? Conduct a simple analysis by using static economics and dynamic economics framework. (Hint: Consider the idea of static economics and dynamic economics in Ragnar Frisch (1992)).
- (8 Points) How Business Cycles theory explains the fluctuation of real GDP during 2008-2010? (Hint: what are the underlying economic causes and what should policymakers do about them). If you consider three other macroeconomic variables, what are the possible cyclical behavior of those variables based on direction and timing? Give your reason.

Question 2 (5 Points)

What are the five stages of economic integration? Assign the European Union to one of those stages.

Question 3 (10 Points)

Discuss the benefits of joining the European Union for the East European accession countries?

Part II

Simulation Models for Policy Analysis

Question 1 (20 Points)

Explain the basic approach of New Keynesian Models.

Question 2 (10 Points)

Why is the forecast of output dynamics in the aftermath of the banking crisis rather difficult in the EU?

Part III

Monetary Integration

Question 1 (20 Points)

The start of the euro area was based on four convergence criteria: Explain which criteria are relevant here and why application of the Stability and Growth Pact has been quite difficult in the field of the deficit-GDP criterion.

Question 2 (10 Points)

Which major approaches exist in the field of the optimum currency area theory?