

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: 14.02.2011
Duration: 90 minutes
Allowed utilities: none

All questions have to be answered, therefore each bloc should be answered within 30 minutes.

Economic Dynamics and Integration in Eastern Europe and Asia

1. Which effects can be expected from regional economic integration? In this context you should discuss options for external ASEAN relations such as ASEAN (+3). (15 P.)
2. Describe reasons for the economic recovery in Eastern Europe after the financial crisis. (15 P.)

Simulation Models for Policy Analysis

1. Why do economies face boom and bust cycles – refer to the past decade in the USA? (10 P.)
2. Which links exist between the Transatlantic Banking Crisis and the sovereign debt crisis (increase of debt-GDP ratios) in the Eurozone; why is an increase of the required equity-loan ratio of banks negatively affecting output and economic growth respectively? (20 P.)

Monetary Integration

1. Define monetary integration and explain the economic logic of the convergence criteria for Economic and Monetary Union in the European Union. (10 P.)
2. What is the economic impact of EU financial market integration and is the Eurozone in line with Optimum Currency Area criteria? (20 P.)