

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: 18.02.2010
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. Describe reasons and effects of regional economic integration. (10 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; you should apply your explanations by means of a specific Asian country or region. (10 P.)
3. Describe factors that have driven economic growth in Eastern Europe and explain economic strategies how the countries have dealt with the economic crisis. (10 P.)

Simulation Models for Policy Analysis

1. Explain the main mechanisms of the international banking crisis – why can financial market instabilities cause negative effects in the real economy? (15 P.)
2. Why is fiscal expansionary fiscal policy an important option to overcome the international recession caused by the international 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. What are the alternative approaches for Optimum Currency Areas? (10 P.)