

IRE228 Chapter-3 and Chapter- 30

4 Questions

1. What was the main institution before the WTO?

3/18 A IMF

1/18 B OECD

12/18 C GATT

2/18 D NAFTA

2. Which principle of the WTO requires equal treatment among trading partners?

4/18 A National treatment

3/18 B Protectionism

1/18 C Mercantilism

10/18 D MFN principle

3. What does "National Treatment" mean?

1/18 A Imports can be taxed more heavily

0/18 B Domestic firms receive subsidies

17/18 C Imported goods must be treated equally to domestic goods

0/18 D Countries can ban imports

4. Which trade round began in 1986?

2/18 A Tokyo Round

1/18 B Doha Round

15/18 C Uruguay Round

0/18 D Kennedy Round

5. Why did the US push for services and intellectual property rules?

- 5/18 A Agricultural weakness
- 11/18 B Growing trade deficit
- 2/18 C Declining exports of oil
- 0/18 D Environmental concerns

6. Which organization protected the EU agricultural sector?

- 2/18 A OECD
- 4/18 B WTO
- 10/18 C CAP
- 2/18 D IMF

7. Why did Japan resist agricultural liberalization?

- 1/18 A Oil dependency
- 13/18 B Rice had cultural importance
- 2/18 C Weak industrial sector
- 2/18 D Labor shortages

8. Which countries formed the "Quad" group?

- 0/18 A US, China, Russia, Brazil
- 17/18 B US, EC, Japan, Canada
- 1/18 C Germany, France, Italy, Spain
- 0/18 D India, Brazil, China, South Africa

9. What was the main goal of the Cairns Group?

- 1/18 A Increase tariffs
- 1/18 B Protect intellectual property
- 16/18 C Liberalize agricultural trade
- 0/18 D Reduce industrial exports

10. Why were developing countries disadvantaged in negotiations?

- 1/18 A Strong military power
- 10/18 B Lack of technical expertise
- 6/18 C Excessive voting rights
- 1/18 D Agricultural dominance

11. What were “green room negotiations” criticized for?

- 4/18 **A** Excessive transparency
- 7/18 **B** Excluding many developing countries
- 1/18 **C** Too many participants
- 6/18 **D** Weak developed country influence

12. What is the “single undertaking” principle?

- 2/18 **A** Countries negotiate separately
- 5/18 **B** Only developed countries decide
- 10/18 **C** Agreement must be reached on all issues together
- 1/18 **D** Agriculture excluded from negotiations

13. Which issues were called the “Singapore Issues”?

- 1/18 **A** Labor and environment
- 15/18 **B** Competition, investment, procurement, trade facilitation
- 1/18 **C** Oil and energy
- 1/18 **D** Agriculture and textiles

14. Why did NGOs become influential in trade governance?

- 0/18 **A** Military support
- 17/18 **B** Concern over social and environmental effects of globalization
- 1/18 **C** Demand for higher tariffs
- 0/18 **D** Opposition to all trade

15. After September 11, the US linked free trade with:

- 1/18 **A** Climate change
- 14/18 **B** Counter-terrorism
- 1/18 **C** Migration policy
- 2/18 **D** Agricultural reform

16. Which country experienced the first major financial crisis of the 1990s?

- 6/18 **A** Thailand
- 0/18 **B** Russia
- 11/18 **C** Mexico
- 1/18 **D** Brazil

17. What agreement did Mexico sign in 1994?

0/18 **A** WTO

15/18 **B** NAFTA

2/18 **C** ASEAN

1/18 **D** Mercosur

18. One major problem in Mexico before the crisis was:

2/18 **A** Budget surplus

16/18 **B** Current account deficit

0/18 **C** Lack of exports

0/18 **D** High gold reserves

19. What happened to Mexico's foreign reserves in 1994?

6/18 **A** Increased sharply

2/18 **B** Remained stable

10/18 **C** Fell dramatically

0/18 **D** Doubled

20. Which political event increased instability in Mexico in 1994?

0/18 **A** Military coup

8/18 **B** Assassination of Colosio

3/18 **C** Civil war

7/18 **D** IMF intervention

21. Why did the US support Mexico financially?

1/18 **A** To support socialism

14/18 **B** To prevent economic contagion and instability

1/18 **C** To increase tariffs

2/18 **D** To weaken NAFTA

22. Which institution approved a major stand-by loan for Mexico?

3/18 **A** OECD

2/18 **B** WTO

11/18 **C** IMF

2/18 **D** World Bank only

23. IMF conditionality in Mexico included:

- 0/18 **A** Increasing subsidies
- 6/18 **B** Lowering taxes
- 11/18 **C** Austerity measures
- 1/18 **D** Expanding welfare programs

24. According to realists, NAFTA:

- 4/18 **A** Reduced interdependence
- 8/18 **B** Increased economic vulnerability
- 4/18 **C** Eliminated crises
- 2/18 **D** Protected sovereignty completely

25. Marxists argue that IMF policies mainly protect:

- 2/18 **A** Workers
- 2/18 **B** Small farmers
- 12/18 **C** Capitalist interests
- 2/18 **D** Environmental groups

26. The Asian Financial Crisis began in:

- 0/18 **A** China
- 7/18 **B** Japan
- 10/18 **C** Thailand
- 1/18 **D** Malaysia

27. Which factor contributed to the Asian Crisis?

- 0/18 **A** Strong capital controls
- 11/18 **B** Excessive short-term capital inflows
- 2/18 **C** Low foreign investment
- 5/18 **D** Budget deficits

28. What happened to the Thai baht in 1997?

- 4/18 **A** Appreciated strongly
- 4/18 **B** Pegged to gold
- 7/18 **C** Depreciated significantly
- 3/18 **D** Replaced by the dollar

29. One criticism of the IMF during the Asian Crisis was:

- 3/18** **A** Too little intervention in exchange rates
- 11/18** **B** Excessive focus on austerity policies
- 2/18** **C** Promoting high welfare spending
- 2/18** **D** Reducing globalization

30. Which country introduced capital controls during the Asian Crisis?

- 4/18** **A** South Korea
- 5/18** **B** Indonesia
- 4/18** **C** Malaysia
- 5/18** **D** Thailand