

## **SAMPLE EXAM QUESTIONS FOR FALL 2013 ECON3315/4325 MIDTERM**

**Exam will take place on November 5<sup>th</sup>, in class. Please provide your own “Blue book” for the exam ( - available from the University bookstore).**

**PART I - Short questions: Answer all 10 questions (20% of total marks)**

What do the following acronyms stand for?

1. EEC
2. SGP
3. EMU

**PART II – True/False/Uncertain and Why. Answer 4 out of 6 (20% of total marks)**

1. All EU members use the euro.
2. The “unholy trinity” consists of fixed exchange rates, perfect capital mobility and monetary policy autonomy.

**PART III – Essay questions. Answer 3 out of 4 (60% of total marks)**

1. What are the main principles behind the allocation of policy responsibilities between different levels of government in the EU? What are the reasons why the harmonization of corporate income taxes has not been part of EU integration effects?
2. What does the SGP consist of? Why was the SGP introduced when EMU had already been decided?
3. What is an OCA, why is it optimal, and provide an assessment as to whether the euro area is an OCA.

Patrick Crowley,  
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