

Review Topics for Exam 4

Pages 361-363

The Inflation-Unemployment Relationship

The Phillips Curve

Shifts in the Phillips Curve

Chapters 5,20

Pattern and Volume of World Trade

Economic linkages between countries

Facilitating factors in world trade

Main participants

The basis for trade

Comparative advantage, terms of trade and gains from trade

Argument for free trade

Supply and demand analysis of exports and imports and the effects of a tariff

Forms of protectionism – tariffs and non-tariff barriers

Arguments in favor of protectionism

Costs of protectionism

Smoot-Hawley Tariff Act

US International Trade Policy

Forms of economic integration – NAFTA and the European Union

World Trade Organization

Chapters 5,21

Balance of payments – Current account, capital account

Pattern of U.S. balance of payments

U.S. trade deficit, causes & implications

International Reserves – Official Reserves

Foreign Exchange market

Fixed, floating (flexible) and managed exchange rates

Gold Standard, Bretton Woods and current international monetary system

Currency appreciation & depreciation

Currency devaluation and revaluation

Gold Standard

Bretton Woods system

Euro & European Monetary Union

The Jobless Recovery 2009 - "The Jobs Summit," Downloads, Article 13

Economics 100, Sections 3 &4

Required reading found at <http://bss.sfsu.edu/jmoss/>Econ.100 downloads

Sample Questions

1. What is free trade?
2. What is the principle of comparative advantage?
3. What is protectionism?
4. Cite 3 forms of protectionism.
5. List the six arguments that protectionist use to justify trade barriers.
6. State and explain the three possible positions for the balance of trade?
7. What are the two main forms/types of tariffs?
8. What is the euro?
9. If the US current account is in deficit, what account is in surplus?
10. What are the twin deficits?
11. Why is the White House calling a "Jobs Summit"?
12. According to Krugman, what policies should we enact to deal with the current lack of jobs and high unemployment?
13. What does Bill George suggest to improve the employment situation?
How are his ideas different from Krugman's?
14. What other ideas are suggested to stimulate job growth?
15. Given the current economic situation what are Robert Reich's concerns in addition to job growth?