

Macroeconomics A; EI060

Quiz

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1 Core message of crisis models

Question: What are the core insights of the three generations of crisis model?

2 Sudden dimension of crisis

Question: Why do reserves collapse when the peg is abandoned in the first generation model?

3 Multiple equilibria

Question: The second generation of crisis models stress the possibility of multiple equilibria. Are multiple equilibria always present?

4 Effect of reserves

Question: When does reserve accumulation or sales affect the exchange rate, for a given interest rate rule?

5 Empirical studies of interventions

Question: What are two dimensions that make the empirical analysis of effectiveness of foreign exchange interventions challenging?