

Macroeconomics A; EI060

Quiz

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1 Components of the current account

Question: What are the various ways in which a country can earn money from the world?

2 Transactions in the financial account

Question: Consider two transactions and explain how they enter the current account and the financial account.

1. A Swiss firm sells goods for a value of 100 to an American customer, who has an account in a Swiss bank. He pays by wiring from that account to the Swiss account of the Swiss firm.
2. A German investors sells a Swiss government bond for a value of 50 to a Swiss investor. The Swiss investor has a German bank account. The Swiss investors pays for the bond using a bank transfer to the German account of the German investor.

3 Valuation effects

Question: Explain what valuation effects are. Do they enter the current account or the financial account, and why?

4 Pattern of capital flows

Question: Explains the main patterns of international capital flows since the early 2000's

5 Global imbalances

Question: What are global imbalances? How have they evolved?