

Study Guide: Exam I.

Globalization and Democracy

For each term, you should be able to I). Define it II).

Place it in the context of globalization III).

Understand, evaluate, and critique it (e.g. winners and losers...effective policy, not effective, etc...)

- Globalization (definition, measurement)
- Political Economy
- International Political Economy
- 4 major theoretical approaches to globalization
- 4 alternative approaches to globalization
- Institutions
- Arbitrage
- Transaction costs
- Specialization
- David Ricardo
- Returns to scale
- Comparative advantage
- Demand and Supply curves
- Interpret static gains from trade
- Protectionism
- Tariffs
- Controversy over free trade
- Static vs. Dynamic gains from trade

- Factors
- Heckscher-Ohlin model
- Stolper-Samuelson theorem
- Rybczynski theorem
- Ricardo-Viner model
- Mercantilism
- Terms of trade/trade balance
- British East India Company
- Jean Baptiste Colbert
- Gold standard
- Corn laws
- Anti-Corn Law League
- Inflation
- Hegemon
- Bretton Woods Summit
- Bretton Woods monetary system
- International Monetary Fund
- Fixed exchange rate
- Floating exchange rate
- Indirect gold standard
- John Maynard Keynes
- Harry Dexter White
- World Bank
- Capital and capital controls
- Post-Bretton Woods system
- Reserve currency

- Balance of payments
- “Impossible Trinity”
- General Agreement on Tariffs and Trade/World Trade Organization
- Speculative attack and currency crisis
- Roles of money
- Money supply (monetary base and M1)
- Interest rate
- Bonds (and what affects supply and demand)
- Creation of money by commercial banks
- Federal Reserve
- Federal Open Market Committee
- Board of Governors (i.e. Federal Reserve Board)
- Reserve requirements
- Setting the discount window rate
- Open market operations
- Quantitative easing
- Operation “Twist”
- Mortgage-backed securities
- Government securities
- Policy goals of central banks
- Expectations