

INTERNATIONAL ECONOMICS

Final Exam - Set B

Time allowed: 90 minutes

December 28, 2021



Type of exam questions

40 MCQs and/or Fill the blank spaces: 2.5 marks and an average 2.25 minutes for each.

1) *a; b* 5) *Vietnam* 21) *FIS, HANU*

Exam's rules

1. Respond directly and clearly to below questions.
2. This is a closed book exam. Don't use any document, dictionary or electronic devices.
3. Don't attempt any kind of cheating like talking, discussing, passing things, and looking at your friend's work.
4. "Respect yourself and others will respect you" - *Confucius*

- 1) Arguments for free trade are: (a) scarce resources are used most efficiency (b) economy of power (c) economy of scale (d) political argument.
- 2) A tariff levied as a fixed charge for each unit of a good imported is a(n): (a) Fixed tariff. (b) Specific tariff. (c) Ad valorem tariff. (d) Transit tariff. (e) Fixed price.

- 3) A quota on trade imposed from the exporting country's side is a(n): (a) Voluntary export restraint.
(b) Quota rent. (c) Local content requirement. (d) Administrative trade policy.
- 4) A trade restriction, such as a tariff, leads to _____ and _____ distortions.
- 5) _____ are cost advantages companies experience when production becomes efficient, as costs can be spread over a larger amount of goods.
- 6) _____ is about how politics affects the economy and the economy affects politics. It uses the tools of economics to study politics.
- 7) _____ is a process wherein an enterprise exports a product at a price that is significantly lower than the price it normally charges in its home (or fair) market.
- 8) From WW II until the 1980s many D.Cs attempted to accelerate their development by limiting _____ of manufactured goods to foster a manufacturing sector serving the _____ market.
- 9) BOP is the record of all international financial transactions made by the residents of a country. There are 3 main categories of the BOP: the _____, the _____, and the _____.
- 10) The _____ is the sum of the merchandise, services, investment income, and unilateral transfers accounts.
- 11) Borrowing from IMF is a part of: (a) CA. (b) KA. (c) Both (a) and (b). (d) None of these.
- 12) A country has a _____ in producing a good if the opportunity cost of producing that good in terms of other goods is lower in that country than it is in other countries.
- 13) Vietnam's GDP growth for 2020 is forecast at _____ based on data from the IMF. Last year, the country's GDP growth was _____, the second highest growth figure in the last decade.
- 14) 2 roles of Central Bank: _____.
- 15) Highest deposit Interest Rate in Vietnam by the end of 2021 is 6.8% while The Vietnamese stock market growth is about 35% this year. The VN-Index is among the top 10 performing markets globally as the investment case for Vietnam remains solid, backed by the manufacturing and supply chain shift into the country. The stock market is usually a _____ of the underlying confidence of the economy and of the liquidity conditions. (a) aerometer. (b) barometer. (c) colometer. (d) deometer.
- 16) Rising _____ are considered the worst enemy of securities market.
- 17) Vietnam among top _____ FDI destinations in the world in 2021. (a) 5. (b) 10. (c) 20. (d) 30.
- 18) Vietnam's digital economy is estimated 31% growth in 2021, reaching _____ billion USD and to grow 11 times to reach US\$220 billion in gross merchandise value (GMV) by 2030, the highest one among the Southeast Asian. (SEA) countries. (Source: Google, Temasek and Bain analysis).
- 19) According to a World Bank's report, as of the end of 2020, Vietnam is within the top 10 countries in the world with the highest capacity of solar energy installed. Considering the country's high solar PV

potential, wind power projects and its ambitious _____ energy goals come 2050, Vietnam has all the means to become a regional and global leader in _____. (a) blue, changeable. (b) green, renewables. (c) blue, renewables. (d) red, renewables.

20) The _____ in economic and finance states that a country cannot be on all three sides of the triangle at once, only two out of three attributes which are Monetary independence, Exchange rate stability and Full financial integration.

21) A tariff levied as a fixed charge for each unit of a good imported is a(n): (a) Fixed tariff. (b) Specific tariff. (c) Ad valorem tariff. (d) Transit tariff.

22) Which argument for government intervention suggests that an industry should be protected until it can develop and be viable and competitive internationally? (a) Strategic trade policy. (b) National security. (c) Baby industry. (d) Infant industry.

23) If the percentage change in _____ is equal to _____ between two countries, then relative PPP holds.

24) Vietnam among six economies _____ hit by climate change in last 20 years (in coming decades as well). The IMF estimates that Vietnam's economic growth may fall by 10% in 2021 due to climate change.

25) BTS tops Billboard 100 list, "Gangnam Style" a global song - the first YouTube video to garner one billion views. The Korean Wave or Hallyu includes Korean TV dramas and K-pop sweeping across the world has come as a blessing in disguise for the country's image and economy, especially after the 1997 _____ crisis. Hallyu had an estimated USD 12.3 billion boost on the Korean economy – and an export value of about 4.9 billion \$ in 2019. The export value has been increasing steadily ever since 2009 when K-pop began to become a global phenomenon.

26) Depreciation of a country's currency: lowers the relative price of its _____, raises the relative price of its _____.

27) The terms "_____ market" and "_____ market" describe upward and downward market trends, respectively and can be used to describe either the market as a whole or specific sectors and securities.

28) _____ is the spending by a domestic firm to establish foreign operating units.

29) EVFTA stands for _____

30) In Vietnam, _____ is increasingly described as the country's answer to a South Korean chaebol, a catch-all conglomerate and standard-bearer of industry. This corporate empire makes everything from smartphones to schools and _____ said that it aims to enter the US market in 2022 by exporting _____.

31) _____ is not an exchange rate regime: (a) corresponding exchange rate. (b) narrowed exchange rate. (c) fixed exchange rate. (d) flying exchange rate. (e) floating exchange rate.

32) Vietnam among top 10 remittances recipients in 2020 with US\$ _____ billion. (a) 7. (b) 17. (c) 27. (d) 37.

- 33) A _____ is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.
- 34) The Vietnamese Government continues to consider _____ (ODA) as an important capital source. Non-refundable ODA capital is prioritized to implement projects and programmes on socio-economic infrastructure development; strengthen capacity; support the building of policies, institutions and reforms; natural disaster risk prevention, disaster relief, and disease prevention.
- 35) Vietnam's FTAs concluded are: (a) 11. (b) 13. (c) 15. (d) 17. (e) 18.
- 36) Public-Private Partnership is a tool for _____ development. By 2030, Vietnam will need an estimated \$237 billion for infrastructure investments to achieve the SDGs.
- 37) Three weaknesses in the Asian economies' structures became apparent with the 1997 financial crisis? _____.
- 38) _____ was invented by The Economist in 1986 as a lighthearted guide to whether currencies are at their "correct" level. It is based on the theory of _____ (PPP), the notion that in the _____ run exchange rates should move towards the rate that would equalise the prices of an identical basket of goods and services (in this case, a burger) in any two countries.
- 39) Assume that the spot exchange rate of the VND is \$0.00441. How will this spot rate adjust according to PPP if Vietnam experiences an inflation rate of 9% while the U.S. (home country) experiences an inflation rate of 2%? it would adjust to \$ _____.
- 40) "Make in Vietnam" will increase the balance of: (a) Debit side of BOP. (b) Credit side of BOP. (c) Both of these. (d) None of these.